

James Anderson, 40, of 1000 E. 12th St., Stratford, east London, Mr. Michael Thomas Jesson, aged 23, of Folkestone Road, East Ham, are likely to be named and should be challenged by the public.

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The first decade for which detectives "want" to interview the men occurred on August 29

public search.

By Tuesday Scotland Yard decided it would hold its hand and not issue the descriptions.

The next day Mr. Nathan Taylor,

| | | | | | |
|--------------|----|--------------------|----|---------------|----|
| Appointments | 17 | College Parliament | 16 | Theatres, etc | 11 |
| Arre | 10 | Features | 15 | 25 Years Ago | 17 |
| Book review | 10 | Letters | 15 | Weather | 2 |
| Business | 13 | Motoring | 26 | Wills | 17 |
| Court | 17 | Obituary | 17 | | |

Continued on page 5, col 2

78

Address _____

| | | | | |
|--------------|--------|--------------------|--------|----------------|
| Appointments | 17, 24 | Europe: Parliament | 14, 16 | Theatres, etc. |
| Art | 10 | Features | 15, 20 | 25 Years Ago |
| Book review | 10 | Letters | 26 | Weather |
| Business | 13-25 | Motoring | 17 | Wills |
| Court | 17 | Obituary | | |

| | | |
|----------|----|---------------|
| Ornament | 3 | Py & Wagon |
| 14. | 16 | Theatres, etc |
| 15. | 20 | 25 Years Ago |
| | 26 | Weather |
| | 17 | Wills |

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|--------------|--------|--------------------|--------|----------------|
| Appointments | 17, 24 | Europe: Parliament | 14, 16 | Theatres, etc. |
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Continued on page 5.

James Anderson, sergeant of Hammersmith, Stratford, east London. Mr. Michael Thomas Mason, aged 23, from Folkestone Road, East Ham, are likely to be named and should be challenged by the public.

Super David Pwys, head of London's detectives, said the search was "of the first category of priority". The men had to be found quickly and public help was urgently needed. At a conference by senior officers

decided that in view of the police responsibility for public safety, the police would name the men.

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Continued on page 5, col 1

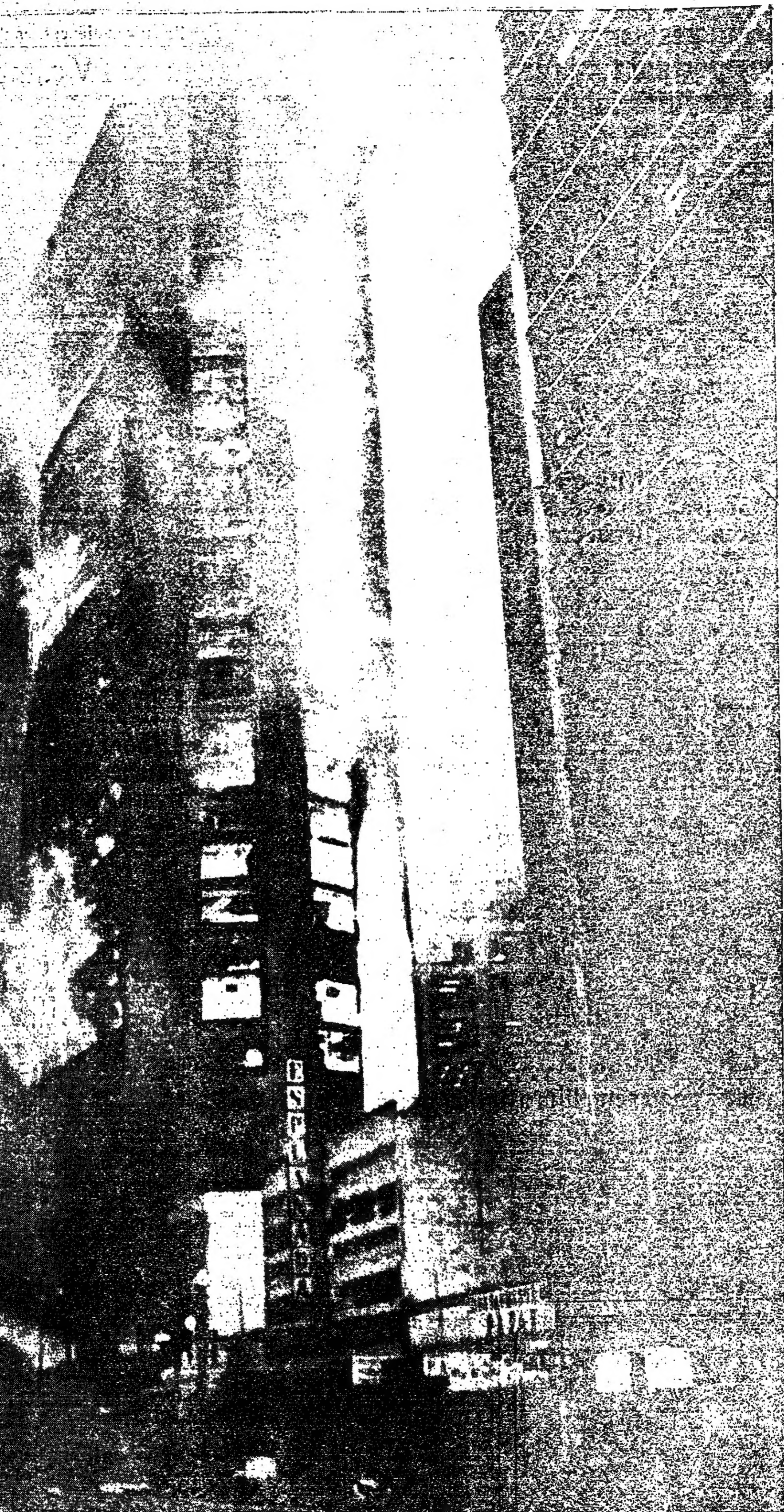
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The exporter's market is the world: a volatile place, where disaster can intervene at any time.

It could take the form of a terrible tragedy, such as this department store fire in South America. It might be an earthquake, a revolution, an invasion. Or simply a total economic collapse.

But too often, the consequence is that the overseas customer, with the best will in the world, cannot meet his commitments.

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restrictions or transfer difficulties).

In other words, nowhere is completely safe. Buyers' companies can still fail in stable countries as easily as governments in shaky ones.

Yet many British companies still have their heads firmly in the sand, thinking 'it could never happen to us'.

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HOME NEWS

New arrests may lead to important turn for Countryman inquiry

By Stewart Tandler
Crime Reporter

Important developments may be imminent in Operation Countryman, the inquiry into allegations of police corruption in London, as a result of arrests made yesterday in a separate police operation into armed robberies in many parts of Britain.

Yesterday morning 20 men and women were held by officers taking part in Operation Carter, led by Det. Chief Supt. Joseph Coffey of No 5 regional crime squad. It is understood that a robbery central to Countryman is involved.

That operation was begun, with principal police officers, two years ago to investigate allegations over three big armed robberies in London. One was the theft of £225,000 from the headquarters of Williams and Glyn's Bank in the City.

It is understood that a number of people held yesterday are to be questioned about that robbery. For months Countryman has been dogged by controversy and speculation without apparently approaching the heart of its original task.

Operation Carter, which

began early in the spring, has resulted in 20 people, arrested in an earlier phase, being charged with a number of armed robberies.

Police believe they have cleared up more than 180 crimes involving £2.5m, and they have recovered nearly £200,000 in jewelry and diamonds, and several hand-guns.

The first series of arrests came through the aid of an informant and the regional crime squad, pioneers in the use of "supergrass" who, a second informant who they believe could be one of the most important that detectives have used.

The 18 men and two women arrested yesterday are being questioned about the City robbery as well as others in London, Manchester, Liverpool, Bristol, Swansea, Bedford, the Thames Valley, Essex, Hampshire and Cornwall.

More arrests are likely to follow soon in an investigation which is aimed at a group of groups of professional criminals. The regional crime squads have a specific task of dealing with the "target criminal" who operates far from his home territory.

ITV refuses BBC drive on licences

By Kenneth Gosling

An advertising campaign on independent television intended to stem some of the £25m a year lost by licence evasion has been ruled out because it would have included excerpts from BBC programmes.

The series of commercials, estimated to cost £1m, has been withdrawn and provincial papers and local radio will be used instead.

The Home Office, planning an autumn campaign through the Central Office of Information and an advertising agency, examined a number of possibilities for television commercials showing the sort of programmes at risk because of evasion.

"But the view taken here was that although lots of entertaining ideas were put up, we wanted to do something which presented it as a legal necessity," a spokesman said yesterday.

The BBC said it had been consulted about the kind of campaign, the first big autumn drive on licence evasion for two years. "We were kept informed and we were asked our opinion."

Although the Independent Television companies would have welcomed the revenue, they resented the attempt to "plus" BBC programmes. Mr John Jackson, head of copy clearance for the Independent Television Companies Association, said: "It was not a question of principle—we have carried that sort of advertising many times in the past—but only the particular treatment proposed that we found objectionable."

"We would have expected them to submit another creative idea but they did not do so." The original proposal, he said, had confused the legal requirements of having a television licence with the way the BBC spent its money.

Mix-up led to deaths in train crash

A mix-up between two railway workers caused the Irish Republic's worst train crash, in which 18 people died, a public inquiry was told yesterday.

The state-backed transport company, CIE, told the inquiry inspector that the accident would not have happened but for a misunderstanding between Mr Dennis O'Sullivan, a signalman, and Mr William Condon, a points man.

The company has held a private investigation into the accident, at Butevant station, in Co. Cork, on August 1, when the Dublin to Cork express, packed with holiday weekend passengers, came off the rails.

In a statement to the inquiry, CIE said that just before the crash several crossing gates were opened to allow a light engine and a ballast cleaner to be shunted into position off the main line.

Mr O'Sullivan told Mr Condon to open one gate. The statement said: "It was from the moment of the giving of this order that the misunderstanding arose which led to this train accident."

Misunderstanding the reason for the gate to be opened, Mr Condon began unlocking some points so that the light engine could be moved.

The statement said: "When Mr Condon looked up from the work he was doing to the points, he saw to his horror not the very slow approach of the single light engine, but instead the rapid approach of the Dublin to Cork passenger train."

"He made a desperate attempt to try to close the points and make the line intact, but he barely had time to start doing so when the train was on top of him and he had to jump aside. The train met the points in their open position and the derailment resulted."

The inquiry continues today.

£28,000 in subsidy for trawler owners

By Hugh Clayton
Agriculture Correspondent

The Government announced aid for trawler owners yesterday and opened a campaign aimed at partial dismantling of the EEC common agricultural policy. Trawler companies are to receive up to £28,000 in subsidies so that they can keep their boats afloat until the Community settles on a common fisheries policy.

Mr Alick Buchanan-Smith, Minister of State at the Ministry of Agriculture, Fisheries and Food, told boat owners in London that the £14m of fisheries aid announced by the Government in August was to be parcelled out in direct subsidies according to vessel size.

Later he told members of the Food Manufacturers' Federation that the EEC should consider using national funds to pay for part of the cost of its farm policy and that quotas should be fixed to discourage the growth of unwanted surpluses.

Such moves would go against two fundamental pillars of the CAP: that the policy should be funded wholly by the Community and that farmers should be compensated for whatever they produced. Mr Buchanan-Smith denied that such changes would be against the spirit of the Community.

"There would, of course, be substantial problems about agreeing a system of national financing which was seen to be fair to all member states," he said. "There would also be objections of principle. What we have got to avoid, and this is one of the things that has bedevilled us in this country, is setting ourselves divided into doctrinaire camps."

His statements about fish and farming yesterday were part of the manoeuvring that is preceding the reopening at the end of the month of attempts by Community farm ministers to reform EEC food policy.

More than 3,000 boats will qualify for the new British aid, which will be distributed in two instalments.

'Ineffective' dons should be weeded out, report says

By Diana Geddes
Education Correspondent

Bold recommendations to rationalise staff and academic provision at Southampton University are made in a report by a working group chaired by the university's vice-chancellor, published today. The report includes proposals to close a department and a scheme to weed out "ineffective" dons.

The working party of senior university academics was set up by Professor John Roberts when he assumed office as vice-chancellor last November. Its brief was to consider the academic goals of the university and to make recommendations in the light of what is known about future financial provision.

Faced with a period of retrenching no increases in funds from the Government and keener competition among universities for students as well as for resources, it was imperative that the university responded flexibly to new needs.

It recommends that the

Fourth channel, with tiny audiences, could be one of the world's least cost-effective stations

Welsh language TV campaigners may regret their victory

From Tim Jones
Cardiff

The Welsh language fourth channel television service to be broadcast in the principality could be one of the least cost-effective stations in the Western world, and the question of its finance and programme scheduling is causing serious concern to the Government, the BBC and the independent television companies.

Now that the dust created by Welsh Nationalist euphoria over their successful campaign to change government policy has settled, the debate in Wales can be conducted on a more practical level.

The Government honoured its manifesto pledge because it

became convinced it could not carry middle ground opinion. Mr Whitehead and his colleagues saw that their alternative plan of spreading the programmes between two channels could not prevent the mass of law-abiding citizens giving the fanatics at least lip service for their acts of violence.

With a threat of a fast to death by Mr Gwynfor Evans, the president of Plaid Cymru, notwithstanding all other considerations, the debate in Wales over the issue was always conducted on an uncompromising and emotional level.

Senior television executives and some civil servants in Wales fear, however, that the language campaigners may regret their victory once they

realise the harsh economic facts.

In the view of one senior executive, "laying aside the financial and scheduling considerations, it would be dangerous to under-estimate the feelings of the majority of the people in Wales who will be subjected on the fourth channel to programmes screened in a language they do not understand."

It is estimated that only 500,000 people in Wales speak Welsh. That official census finding is suspect for many of those who say they know the tongue never read or write a word of it.

A recent Gallop Poll conducted by HTV Limited, the independent station, which

serves Wales, showed that only 14 per cent of those questioned claimed fluency and only 11 per cent felt able to read the language as well as or better than English.

Only 43 per cent, just over 150,000, of those who spoke Welsh fluently wished to see Welsh language programmes confined to one channel.

Television marketing men accept that generally only about a seventh of the population will watch a given programme, so that only some 70,000 Welsh speakers at a time would watch the channel.

When the number of potential viewers is divided into the estimated cost of the channel, put at between £50m and £50m, the cost-effectiveness of the ser-

vice, which will be screened peak viewing time, becomes daunting.

Those difficulties include a cost of installing equipment to relay the new channel. Television engineering experts believe they will not be able to offer the channel to so Welsh speaking community by the autumn of 1982, when it is due to go on the air.

The Plaid Cymru executive will meet soon to decide how to spend the five-figure sum seized from people who refuse to pay their television licence fees.

To round off a happy day, the party Mr Evans decided it he would now pay his licence fee.



Mrs Kathleen Tynan and Mr Peter Brook outside St Paul's Church, Covent Garden, yesterday, after the memorial service for Mr Kenneth Tynan, her husband. Service, page 17.

In brief

Council's £900 cigarette picture

Wolverhampton council is spending £900 on a painting of a cigarette pack.

The painting is 9 in. square and depicts a pack of Peter Stuyvesant cigarettes, being sold for £1,800 in London art gallery, and half the cost is being met by Department of Education Science.

PC's bravery awards

Police Constable Robert Wickes, aged 37, of Ellbridge, Somerset, received a bravery award from Mr Br. Weigh, his chief constable, yesterday for disarming a man who threatened him with a shotgun and for trying to save the life of a man who set fire to himself with petrol.

Council wine goes sour

Wine valued at £400 has been jettisoned by South Bedfordshire council, which bought for sale at the Leighton Buzzard People's Palace, which the council said was too expensive, was kept too long and became undrinkable.

Corby men end strike

Nearly 400 tube makers at British Steel Corporation plant in Corby, Northamptonshire, returned to work yesterday after striking for three days over extra payment for a job. They agreed to a new work pending more talks.

Welshmen charged

Tomos Euros Owen, aged 40, and Arwyn Sambrook, aged 38, both from Dyfed, members of the Welsh Language Society, have been charged with causing criminal damage to television relay stations in Somerset last month.

Population increase

Northamptonshire has grown in population faster than any other county in England or Wales during the past decade mainly because of immigration according to a county council report published yesterday.

Pornography seized

Sixty-five cartons of smutty pornographic books and magazines found in a lorry load vegetables and oranges at Harwich on Wednesday night were valued at £250,000 customs officers.

£100 tiger licence

District councillors Chichester, West Sussex, have decided to charge a man Bosham who wants to acquire a tiger cub from a circus £1 a year for a licence.

Pupils' dress protest

About thirty children stayed away from King Richard School, Portsmouth, yesterday after two pupils were banned for wearing drape trousers and crepe overcoats.

Guide dogs allowed

British Rail has agreed to allow guide dogs accompany blind passengers on restaurant cars and buffet cars on train. It was announced yesterday.

Pink paraffin dearer

BP yesterday raised the price of pink paraffin by 2.6p a gallon to between 90p and 91p a gallon, attributing the rise to increased manufacturing costs.

Voyage abandoned

Miss Rose Andrews, aged 4, has abandoned her attempt to sail round Britain. Her car, maroon, Locum Jo, was damaged beyond repair when it ashore on the Isle of Wight.

Airline's good news lifts aviation world

By Arthur Reed
Air Correspondent

Air Europe, an independent airline specializing in package holiday flights, yesterday provided an antidote to the gloom that has enveloped British civil aviation this week by announcing that its capacity for the coming winter, and for the summer of 1981, is sold out.

A total of 100,000 passengers will be carried by the airline next summer in its fleet of seven Boeing 737-200 airliners, and it is seeking an additional 10 staff, mostly cabin attendants. Earlier this week British Airways said that it was to withdraw

50 services each week this winter, and Air UK announced that it will dismiss 400 staff, ground 10 airliners and reduce its timetable.

Among the services British Airways is to withdraw this winter are those from Gatwick to Düsseldorf, Frankfurt and Zurich, and British Caledonian Airways considers that this action has strengthened its case to be allowed to fly those routes.

BCAL has an application for licences before the Civil Aviation Authority and is awaiting a date for the hearing. The airline applied for permission to operate cheap fares

to 20 European cities, but the aviation authority granted only six licences. It has not been able to start on those routes because the British Government has not succeeded in negotiating route rights with the governments in the countries to which BCAL wants to fly.

There is likely to be little movement in that sector until Mr John Nott, the Secretary of State for Trade, has ruled on the appeal by Sir Freddie Laker over the refusal by the Civil Aviation Authority to grant him some 630 licences for routes into and within Europe.

Children's unit takes legal advice on report

By Our Education Correspondent

The National Children's Bureau is taking legal advice on the possibility of a libel action against the Centre for Policy Studies and the authors of a report, published by the centre yesterday, containing fierce criticism of the bureau's research activities.

Mr John Marks and Mrs Caroline Cox described the bureau's recent report on the progress of children in different types of secondary school.

Four assessors from the Department of Education and Science were on the advisory group set up by the Secretary of State to the bureau's research project on progress in secondary schools. They too were criticized in Mrs Cox's and Mr Marks's report. The DES said yesterday it would not comment on whether it was considering any legal action.

Lord Willis, the playwright, stepped into the boardroom battle at Westward Television again yesterday with an attack on Lord Harris of Greenwich, the chairman, and a call for him to resign.

If Westward died, he said, death would come from wounds inflicted in the past few weeks. The present troubles sprang directly from the appointment of Lord Harris to the board.

In a letter published in the Western Morning News, Lord Willis called on Lord Harris and his supporters to take "the honourable course" and resign from the board.

Lord Harris, who replaced Mr Peter Cadbury as chairman in July after being invited by him to join the board, was ousted from the board with five other directors at a shareholders' meeting called by Mr Cadbury last week.

Prison officers 'scapegoats for failures'

From Our Correspondent
Falkirk

Prison officers are being made scapegoats for the failures of the prison service, Mr David McCullum, chairman of the Scottish Prison Officers' Association, said in his address to the annual conference in Falkirk yesterday.

Mr McCullum, an officer at the special unit at Barlinnie prison, Glasgow, said people did not seem concerned at how

escapes from jails became possible.

"They want to know who was to blame, and historically that has resulted in a 'scapegoat' offering being produced from our ranks, thus allowing the sleeping giant to slumber on."

"The time has come for us to say, 'Enough of this corner-cutting', which provides a working service only until something goes wrong; we are not prepared to carry the can."

He expressed concern over members at Peterhead prison, who had faced three inquiries into their conduct during riots there.

"No other individuals I am aware of can be subjected to such repeated inquiries."

The conference is to last for two days and will consider setting up a committee to deal with legal implications arising when members are involved in prison riots and disturbances.

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Doctors advised against rush to buy computers

By Our Medical Correspondent

Doctors should not rush to buy computers for their surgeries, the British Medical Association said yesterday. A few medical enthusiasts were installing computer systems but most doctors were being advised to wait for the results of further studies.

That advice was given by Dr John Ball, chairman of the association's general medical services committee, which looks after the interests of general practitioners.

The committee had commissioned a report on the use of computers from Scion, an independent consultancy group, and it will debate the report next month.

Outlining the main proposals Dr John Dawson, the association's under-secretary, said that a pilot scheme would be set up with about 100 doctors.

The report did, however, give detailed advice for any doctor who wanted to go ahead with computerization. The consultants had interviewed 30 family doctors who were using computers or planning to do so soon and had examined the commercial systems available.

The costs were high: a fairly basic system would cost about £3,000, a more comprehensive set-up perhaps £12,000 and a complete integrated system between £25,000 and £200,000.

Lord Willis renews call for TV chief to resign

By Our Financial Staff

Lord Willis, the playwright, stepped into the boardroom battle at Westward Television again yesterday with an attack on Lord Harris of Greenwich, the chairman, and a call for him to resign.

If Westward died, he said, death would come from wounds inflicted in the past few weeks. The present troubles sprang directly from the appointment of Lord Harris to the board.

In a letter published in the Western Morning News, Lord Willis called on Lord Harris and his supporters to take "the honourable course" and resign from the board.

Lord Harris, who replaced Mr Peter Cadbury as chairman in July after being invited by him to join the board, was ousted from the board with five other directors at a shareholders' meeting called by Mr Cadbury last week.

It was decided, in the interests of the company, which faces the independent Broadcasting Authority's public meeting next Tuesday, that the vote was to be a technical manoeuvre taken for legal reasons pending the second shareholders' meeting called by Lord Harris for October 17. The same resolutions of dismissal will be put at that meeting.

"My intervention is not a question of friendship for Mr Cadbury, whom I have not seen for 15 years, but because I can see the company bleeding away, with its opponents given unexpected hope and comfort," Lord Willis said.

Mr George Lidstone, deputy chairman of Westward, said that all nine non-executive directors believed it was necessary to remove the former chairman

Boy fell to death at danger spot on nature trail

From Our Correspondent
Preston

A verdict of accidental death was recorded at an inquest yesterday on a boy who died after falling 49ft from a picturesque nature trail in West Yorkshire.

Andrew Humphries, aged 10, of Kenwood Gardens, Colthorpe, Shrewsbury, was in a party of 14 from the St George's County Primary School, in Shrewsbury, visiting Ingleton Falls. The group was walking in single file along the narrow path with a teacher at each end when he tripped.

The inquest, at Preston, Lancashire, heard that there had been four fatal accidents in the area. Mr Graham Farby, a teacher, said he had not been aware of the drop where Andrew fell.

Mr Howard McCann, the coroner, said the teachers could not be criticized.

If Jean is to have a roof over her head - we need all the help we can get

The British Home and Hospital for Incurables was built 99 years ago to provide specialist care and attention for patients with progressive and incurable illnesses. It has fulfilled its objectives magnificently over these years thanks to the generosity of a wide circle of kind friends, for it receives no Government aid.

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miles of tiles, at a cost of over £250,000.

Help us to continue to give our residents the care and security they need, £2 will put a new tile in place - if you can spare more it will be most gratefully received. Please send your cheque payable to B.H.H. Roof Appeal.

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Patron: Her Majesty Queen Elizabeth The Queen Mother. The British Home and Hospital for Incurables, Crown Lane, Southampton, London SW16 1JL.



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OVERSEAS

Mr Walesa accuses regime of whittling away strikers' gains

From Daniel Priotier
of Agence France-Presse
Gdansk, Sept 18

The Polish authorities are already beginning to whittle away at the agreements reached to end the recent series of crippling strikes, Mr Lech Walesa, the strikers' leader, said today.

Speaking after yesterday's meeting of delegates of free trade unions from all over Poland who were preparing the groundwork of the new labour organization, Mr Walesa said the Government wanted to "shunt us into a siding."

In an interview Mr Walesa, himself a Baltic shipyard worker, did not rule out the possibility of further strikes to ensure the agreements were kept.

Although the unions were united, reports received from delegates on action by the authorities were worrying, Mr Walesa said. "They are beginning to erode the accords little by little because we are not firm enough. We have been too conciliatory, and the authorities by their diplomatic moves have taken advantage of it."

Mr Walesa, a devout Catholic, gave the promised broadcast, as it was agreed that the Mass should be broadcast on the main radio network, but now the bishops are asking for our aid because they are being forced to have a regional transmission, which would be censored," he said.

Mr Walesa said he twice telephoned the authorities but had no reply and he was now threatening to make the facts public. "We will have to think about what to do, including strike action," he said.

Asked if the process after previous unrest in 1956, 1968 and 1970 was not being repeated, Mr Walesa said: "This time we went further, and we obtained much more. We gave ourselves a margin in order to concede a little, which was predicted, but now they want too much."

Talks with the Government were weakening the workers, Mr Walesa added. "This is why we are now saying 'No more' and we will be acting in consequence."

He said that there were still a few strikes in small firms "because of the lack of information, but that is not our fault." He personally had ended many strikes and said it was not a question of striking for the sake of it, but the strike was a useful weapon of defence.

Mr Walesa said he was aware of legal loopholes which would enable the Government to refuse to register certain unions, but this did not concern him, "I know we have the right to strike and take other action. That is why we must push the authorities into accepting our viewpoint for the good of both sides."



Are they twins? Mr Robert Shafraun (left) and Mr Eddy Galland, both aged 19, met each other for the first time at Liberty, New York and both gasped with surprise. Mr Shafraun had enrolled at a college where Mr Galland had been a student before he withdrew from his course. The greetings from other students for Mr Shafraun were warm and enthusiastic but everyone addressed him as "Eddy". Eventually, through a third party, the two were brought together. They believe they are twins, who were separated at birth—both were adopted as infants but know nothing of their natural parents.—UPI.

Iran Parliament puts off debate on US hostages

From Our Correspondent
Beirut, Sept 18

The Iranian Majlis (Parliament) today postponed discussion of the American hostage question and went into secret session to review the worsening border war with Iraq, which has been raging for more than a week.

The review was in response to Iraq's decision to unilaterally abrogate the 1975 agreement which defined the border between the two countries.

President Bani-Sadr received army chiefs to assess the effect of the counter-offensive which he ordered yesterday in an attempt to regain disputed territory captured by Iraq in the past few days.

Military communiques issued in Tehran today said sporadic shooting, which punctuated the relative calm early in the morning, rapidly turned into "heavy clashes on all battlefronts". One communique said Iranian forces managed to recapture the town of Ilam, while fighting continued around Qere-Shirin and Musian, which Iraq seized two days ago.

Traffic released on reports on the border situation during the day. An Iraqi military spokesman, however, denied a Tehran Radio report that an Iraqi ammunition train had been blown up near the town of Khanqin close to the border with Iran.

Trial demands: The Iranian Parliament made no progress in setting up a special commission on the United States hostages today during an ill-tempered debate marked by uncompromising demands to put at least some of the 52 American captives on trial.

It is expected to continue discussion on choosing the members of the hostage commission, and setting its brief, at the next public session on Sunday.

But observers were more convinced than ever after today's speeches that progress towards a settlement of the 10-month crisis will be slow. Many deputies spoke in favour of the hostages being held in some sort of trial, and clearly want the commission to examine the United States' role in Iran in minute detail.

"Taking the hostages was a revolutionary action that has frightened America and its Government out of its wits," one speaker said.

Mr Muhammad Khazai, another deputy, called for a "severe decision" against the hostages, but said the "American frame of mind" should be prosecuted, rather than individuals.

But Mr Ali Akbar Muhammad backed a judicial trial of any hostages found guilty of espionage and singled out one of the 52.

"The first one to be tried is that one who dropped bombs on Vietnam," he said, apparently referring to Colonel David Roeder, aged 41, the air attaché at the United States Embassy in Tehran.

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Suspensions run high as Polish unions meet

From Dossa Tresvisan
Warsaw, Sept 18

The future pattern of Poland's independent trade unions is beginning to take shape after the organizers from more than 30 regions met as a national coordinating committee in Warsaw and, in order to safeguard their gains, decided on a single organization with a charter modelled on the draft worked out by the experts in Gdansk.

The gathering momentum of the movement was demonstrated dramatically by the organizers who talked of massive withdrawals from the official unions, of obstacles, discrimination and harassment from local officials, of the silence of the mass media and of the fear that the intention of the authorities is to disrupt their unity.

The argument in favour of one centralized body to coordinate activity was strong, especially on the part of weaker unions.

In some cases new groups have taken on a regional character, representing a cross section of jobs in a particular area.

In other factories or institutions have formed separate groups. Suspicion, despite government assurances that they intend to live up to the agreement, runs deep and the movement, as the debate revealed, is far from feeling safe and secure.

The union in Gdansk is the strongest and best organized but it has favoured a looser confederation with strong regional committees rather than a superstructure.

But the procedure whereby each union would have to apply for registration separately raised many doubts as well as suspicion that the intention was to keep the movement split and thus to weaken it.

It was also feared that the court might find a pretext to disqualify some unions and the proposal was therefore made for all the unions to join together and register as one.

A national steering committee will be set up to meet once a month and a congress of the new unions may take place within three months.

Mr Lech Walesa, the Gdansk strike leader, is to present the application to the regional court in Warsaw and also the draft. He also presided over the first national meeting which at the end passed a resolution complaining of lack of cooperation on the part of the authorities and of distortions and misinformation.

Such obstructions were doing Poland a disservice, the resolution said, as the current situation required cohesion and unity, the removal of all stumbling blocks and cooperation in order to get out of the difficult situation.

Meanwhile, the Government has announced a series of measures designed to reform the economic system as well as to introduce further cuts in public spending.

It has also given continuing assurances of its intention to honour the agreement and facilitate the setting up of independent unions.

Soviet Army prepares for winter

Continued from page 1

tion facilities for the troops. The old Afghan Army of about 100,000 soldiers, based upon conscription, lacked proper facilities and had virtually no cantonment or garrison infrastructure.

Construction activity can be seen all over Afghanistan. In Kabul new barracks and concrete sheds covered with thick steel sheets are being built at the airport, which is the site of the largest Soviet Army concentration in the city.

These are to house the troops and equipment at present scattered across the grass areas surrounding the runway and to replace the tent city that has sprung up in the past nine months since the Soviet invasion.

Reports from Dost and, farther north, at Puli Khumri claim that two barracks have been completed. Dost, Tardi to be a key supply depot for the Soviet Army. This perhaps explains why the principal connecting road to Kabul—through the Salang tunnel—is being either widened or a parallel road is being built alongside it.

North of Salang this road extends all the way to the Soviet border, and is the only hard-surface land route into the Soviet Union from Afghanistan.

It links up with principal Soviet military centres across the border at Iarum and Dushanbe.

Just south of Termez, at Herat on the Amu Darya river, the Soviet border is being reinforced with a reinforced steel bridge.

The aim, it would seem, is to improve the roads and garrison facilities right from the Soviet border to Kabul.

According to a diplomat in Kabul, the construction of this parallel highway can be seen clearly just north of Karakoram, about 11 miles from Kabul.

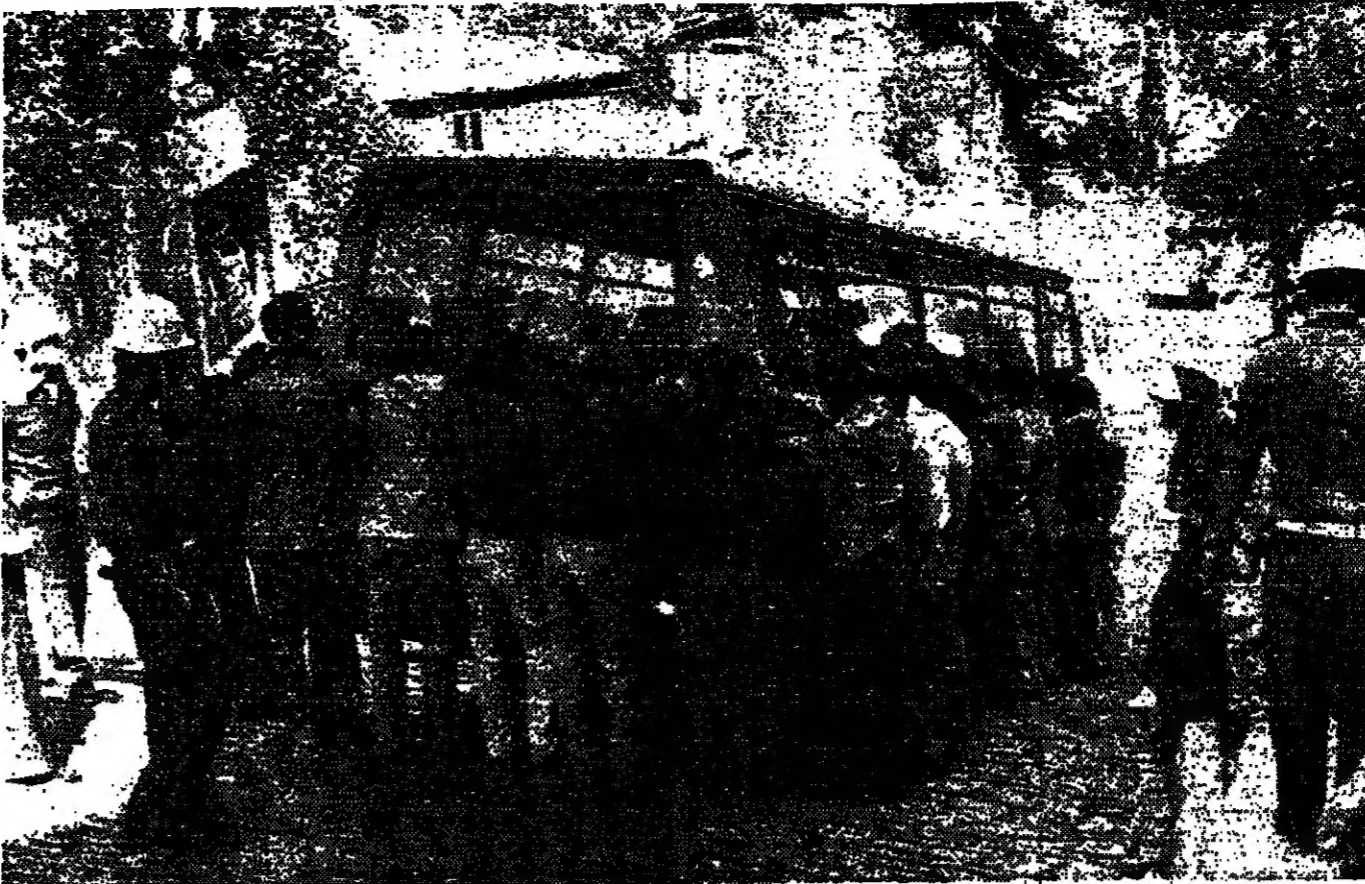
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Suspected extremists are rounded up as part of the crackdown ordered by Turkey's new military leaders.

Turkish leaders sworn in as 50 MPs are held

Ankara, Sept 18.—General

Kenan Evren, the acting head of state, and the four members of the National Security Council were sworn in at a ceremony here today. They vowed to seek solutions to the country's problems and to prepare a new constitution.

The ceremony, held at the National Assembly building, was attended by Turkish Army commanders, diplomats, judges, and senior civil servants.

Each council member "vowed to the Turkish nation that he would seek 'a solution

to all the problems confronting the Turkish Republic while remaining faithful to the principles of (Kemal) Ataturk, justice, law and human rights without bowing to any influences other than (his) own convictions and without exception of reward."

The oath also stipulated that each official would defend the country's sovereignty and integrity. Members of the council said that they would devise a "new constitution based on the principles of a democratic and free republic."

Earlier, the council had re-established the right of Turkish citizens to travel abroad. Only those whose departure was opposed by security forces were to be forbidden from leaving.

Fifty MPs are still being detained and some of these have been prosecuted since last week's coup. A military communique said today.

The communique, read on state radio, said the deputies or senators being held included 25 members from the Republican People's Party, 11 from the Nationalist Movement Party,

seven from the Justice Party, five from the National Salvation Party, one independent and one life-appointed senator.

The communique said the 50 included "those who have been prosecuted for criminal acts against the public order and the state, as well as those who have been taken into custody for their own protection."

Tonight's announcement was the first official revelation of the number of MPs held and that some of them had been prosecuted.—Agence France Presse, Reuters and AP.

Police seize documents of anti-apartheid prosecutor

Pretoria, Sept 18.—Security

police seized documents and personal items from the apartment of a public prosecutor who dramatically walked out of court saying he was sick of enforcing apartheid, the prosecutor says.

Mr Adam Klein, aged 24, stormed out of court three weeks ago after telling a magistrate that he could no longer stand by and watch the country's legal system be used to "serve apartheid".

Mr Klein, who was serving as a prosecutor while finishing his legal studies, also told the magistrate that he had witnessed thousands of irregularities in the disposition of cases against blacks including, he alleged, faulty translations of the blacks' testimony. Many blacks do not speak English or Afrikaans, the two official languages.

In an interview published in the Rand Daily Mail today Mr Klein said: "I was prepared in good faith to cooperate fully with the Attorney-General of Transvaal and the Commissioner of Police in the process of working on my report (on irregularities) when the security police called on me."

Mr Klein added: "What shocks me even more is that the security police, even though they only had a warrant to search my flat for court documents, also took away personal letters that had nothing whatsoever to do with the report."

The case has attracted wide interest after its first publication in a Sunday newspaper.—AP.

Journalists detained: A Cape Town journalist and a member of the students representative council at the university here may be charged with contravening official secrets laws.

Mr Richard Wickstead and Mr Frans Kruger were detained for questioning by police on Tuesday.

Mr Wickstead said he thought current police inquiries involving him might be linked with an article he wrote last month for the Cape Times.

A black journalist of the South African magazine Drum was detained by police in the South African Bantustan of Transkei.

Mr Sam Motswagole was arrested when he left the Umkhonto offices of the Sunday Post, reliable sources said.—Agence France-Presse.

Five killed in attack from sea on south Lebanon

From Tewfik Mishiaw
Beirut, Sept 18

Israeli troops launched a ground attack from the sea today on Palestinian guerrilla positions in and around the south Lebanese port city of Tyre, killing at least five people and wounding 14 others. Several houses were blown up.

The raid was preceded by heavy artillery shelling of the area by Israeli-backed Christian militias in the border enclave north of Israel. The militias are commanded by Major Saïd Haddad, a former Lebanese army officer.

A communique from the Palestine Liberation Organization said the guerrillas "thwarted the attack and prevented the Israelis from landing."

Israeli military communique said the troops went ashore. The attack was aimed at disrupting guerrilla operations against Israel.

It was the first Israeli attack on Palestinian strongholds in Lebanon since the big operation against the Palestinian-held Beirut, Tyre and Tripoli, on August 19. At least 30 guerrillas and three Israeli soldiers were killed in that attack.

The area has been tense since the Israeli invasion of the PLO leader, has been expecting a "major Israeli invasion of south Lebanon" before the United States' presidential elections.

An Israeli spokesman said the guerrillas had been attacking buildings in and around Tyre, meeting only light and uncoordinated resistance from the guerrillas.

Bartholomew: A member of pro-Israeli South Army and the guerrillas were killed today in an ambush in the North Lebanese city of Tripoli.

Meanwhile, in Beirut, several people were injured this afternoon when a bomb planted in a car in the west of the city exploded, informed sources said.

Mr Reagan's staff still seeking strategy to regain lost ground

From Patrick Brogan
Washington, Sept 18

The Reagan-Bush campaign is grappling with a number of serious tactical problems, according to some senior members of the staff, who have no idea of strategy. By this they mean, of course, their superiors, Mr Edward Meese and Mr William Casey, do not see things the way they do.

The main immediate tactical question that ought to be resolved by Sunday night is whether Mr Reagan should agree to hold a debate with President Carter, without Mr John Anderson. On Sunday night Mr Reagan and Mr Anderson are due to debate in Baltimore. The President has said that he will not take part. Having wrung all the advantage possible out of the sight of the commander in chief running away, should Mr Reagan then accept his long-standing proposal for a one-to-one debate?

The more nervous of his supporters fear that he would make some serious mistakes. The optimists hope that Mr Carter would make the mistake. The cautious say that it all depends on the polls: If Mr Carter is ahead now, after Sunday's debate, Mr Reagan will have to agree to a debate with the President.

This is where tactics become high strategy. Mr Reagan's staff feel that it would be disastrous if Mr Carter established a permanent lead in the polls. At present the two men are running neck and neck, which is bad enough for the challenger as incumbent presidents tend to gain support in the last days of a campaign. If Mr Carter establishes a firm lead now it will be very difficult to catch up.

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Example of that was Reagan's attack on the administration's decision to disclose information on "secret" bomber.

Mr Reagan's announcement in the middle of a speech economics. The cry was up on Capitol Hill and enough Mr drew blood. Issue was carried a bit far but it was a warning of the way to keep the House nervous. However, tactics not strategy.

Two can play at that and an incumbent President generally pull nasty stuff out of the most easily his challenger.

Mr John Sears, who was Reagan's campaign top until February, when he replaced by Mr Casey, said today: "Washington. In the present race, it is because of his handling of economy. But the real test is whether Reagan can cut and so ingrain the perception that people will vote for because of it."

So far, he has not this. His early mistakes, the time spent in the Carter, on the one hand, looks like a distraction from the economy issue.

He goes on: "Right now the idea that they must roll another four years with Reagan as their President, but he is not giving them enough. There is still time for him to do so, but with only about a month in the campaign, he is not to do."

Daughter considers running Miss Maureen Reagan, age 22, daughter of Mr Reagan, said today: "I am considering running for Congress."

She said she was now in the White House, and was considering running for Congress.

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Israel-Egypt talks may resume this month

From David Cross
Washington, Sept 18

It was "very possible" preliminary talks in Egypt, Israel and the States about the resumption of the West Bank and Gaza negotiations would begin before the end of the month, Mr Yitzhak Shamir, the Foreign Minister, said today.

Mr Shamir, who met President Carter at the White House, said a date for the resumption of the so-called "peace talks" had not been decided. However, there were meetings in the United States or in the Middle East next few weeks, he said.

First meeting was likely to be in Washington. Continuing on his trip to the American capital, Mr Shamir said that many problem discussions between the States and Israel remain.

He said, "generally we give answers to our questions. Among the topics, the American military aid to Israel during the coming year."

Mr Shamir, who was away to New York for the signing of the United States General Assembly, was optimistic about the resumption of talks.

Mr Shamir said that the resumption of talks would be a good sign for the negotiators.

Asked about the UN, Mr Shamir said that the UN was a "useful forum" for the resumption of talks.

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Many things are good to look upon and bring enjoyment and happiness, but the blind must live in a land of darkness. The can, however, still enjoy the pleasure of reading by the free loan of specially printed books in Braille and Moon supplied by this Library.

LEGACIES, DONATIONS AND SUBSCRIPTIONS are urgently needed and will be gratefully received by the Secretary.

NATIONAL LIBRARY FOR THE BLIND
FROM: HER MAJESTY THE QUEEN
CROMWELL RD, BREDBURY, STOCKPORT, SK6 2SG
(Incorporated under National Assistance Act, 1948)

The trade has increased enormously since the Thai Army handed over control to the police, customs and district officials. Up to 10,000 Thai traders are engaged in such sales which officials say range from about £90 a day to £7,000.

In the past two months the police have arrested about 5,000 of the traders and fined them a total of £500,000. They can afford to pay as much as £1,000 a day for big operators. Small traders would be lucky to earn £2 a day in local jobs.

The authorities admit that the huge trade is out of control and say the problem is that traders, including the few who are not in the army, are now bringing in goods from the south and north-west of Thailand to join in the lucrative trade. They have brought families and household goods with them and

new live in appalling crowded conditions in big houses which have been divided into cubicles. Cigarettes, medicines, clothes make up the bulk of goods traders sell in the markets. The big traders goods, by the case and afterwards they are on sale Phnom Penh, Battambang and other Kampuchean towns.

Some traders are now bringing in goods from the south and north-west of Thailand to join in the lucrative trade. They have brought families and household goods with them and

From Neil Kelly
Bangkok, Sept 18

Illegal sales of goods amounting to about £1m a day, on the Thai-Kampuchean border, are causing more casualties than military activities in the same area, an official of the International Committee of the Red Cross said today.

Most patients in the Red Cross hospital at the Nong Chan border encampment are victims of disputes among Thai traders and Kampuchians. Most injuries were caused by grenades and small arms fire.

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The Reagan-Bush campaign is grappling with a number of serious tactical problems, according to some senior members of the staff, who have no idea of strategy. By this they mean, of course, their superiors, Mr Edward Meese and Mr William Casey, do not see things the way they do.

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MN.

A black and white cartoon illustration of a baby. The baby has a large, open mouth in a cry, with sweat drops on its forehead. It is holding a rattle in its right hand. The baby is wearing a short-sleeved, polka-dot onesie. There are motion lines around the baby's head and hands, suggesting crying and holding the rattle. The baby is standing on a small patch of ground indicated by a few horizontal lines.



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...the most intelligent and best January ...
...you, as good a time as any other month ...
...and often better. R.E.

...and the other is the fact that the ...

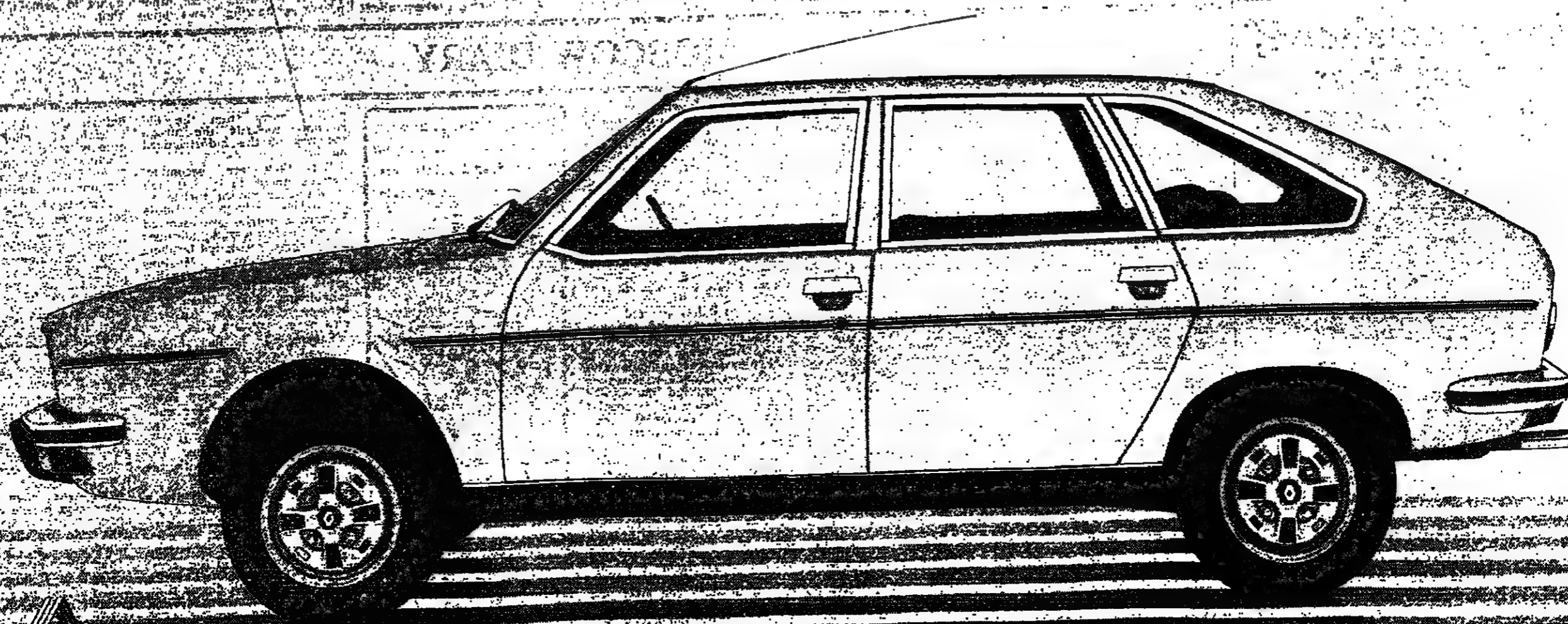
THE TIMES

100

Although the three versions all offer a high level of equipment and performance, the prices start at an amazing £5,490.

The only way to decide which one you want is to go and take a look round at your nearest Renault dealer.

RENAULT 20



The Vienna conference this week pointed up yet again the oil producers' disagreements

Opec: an unworkable plan, a tarnished image

Vienna. The Organization of Petroleum Exporting Countries may well have over-reached itself. Saudi Arabia's last-minute concession on short-term pricing late on Wednesday night served to dispel the atmosphere of acrimony and discord which had permeated the three days of negotiations, but the truth is that the oil, finance and foreign ministers of the 13 member countries who met here have achieved little of what they set out to do.

It may be that the task they set themselves was unachievable. Elements of it, however, should have been within their grasp. If Opec truly wants to do the more, as it constantly says it does, than a greedy cartel taking advantage of supply shortages to push up the price of oil then it must join the industrialized West in helping to ease the economic problems of the Third World.

Opec greatly desires to be regarded as a responsible force within the world community. Its most powerful member, Saudi Arabia, which produces a third of Opec's oil and a tenth of non-communist consumption, has since the first price shocks of 1973 been acutely aware of the damage Opec can do to western economies and international stability.

At the same time it has wanted to obtain prices reflecting the fact that its oil will not last for ever and that when output begins to decline it will need a compensatory source of wealth.

Sheikh Yamani, the Saudi Arabian Oil Minister, saw the solution in plans drawn up since 1973 by a long-term strategy committee chaired by him with other delegates from Iran, Iraq, Algeria, Venezuela and Kuwait. The cornerstone of his plan, which was first presented to a full meeting of oil ministers in the Saudi Arabian mountain resort of Taif in May, was to control the oil market in such a way that prices would rise gradually to meet the cost of alternative sources of energy.



Mr Rene Ortiz, of Ecuador (left), Secretary-general of Opec, with the chairman of this week's Vienna conference, Mr Mohammed Seddik Benyahia, the Algerian Foreign Minister.

This was to be done by agreement among producers to limit output to prevent the build-up of an oil surplus, which would drive prices down, coupled with a complex system of indexation that would push prices up in real terms. Draft proposals which were discussed here linked the oil price to a basket of currencies and a protection against any further devaluation of the dollar, to the rising cost of manufactured exports from the industrialized countries and the real growth of western economies.

The advantage to consuming countries, it was argued, was that there would be stability and the West would have time to prepare the necessary alternatives as oil production declined in the next century.

It is doubtful that the new pricing system would work, and even if it did, whether it would be of any real advantage to the West. Before 1973 economists believed that growing demand and the shortage of production capacity would double the real price of oil by the year 2000. That has already happened.

Oil is being phased out for heating and electrical generation because it is uneconomic. At the same time the extraction of heavy oils and oil from tar sands is now on the verge of profitability. For these reasons—and unless there is another disruption to supply—there is no reason why the price of oil should rise significantly for a very long time.

Another disruption is a real possibility, however. As long as the Middle East remains an area of tension there is a risk that war or revolution will interrupt oil supplies. Opec's plan provides little protection against such an event. It is a one-way bet. Prices could leap next year, and Opec would either wait for its indices to catch up or continue to raise prices from a new base.

After the Vienna meeting it is difficult to believe the Opec plan could work for any length of time. The discussion did little to highlight the cultural, economic and political differences that have always been a threat to Opec's unity. The Libyan and Algerian regimes could not accept the use of western indices of inflation to protect oil prices in real terms. Opec would have to use faster rising import indices.

Delegates from Iran and Iraq could hardly bear to be together in the same room. Even while the conference was taking place, Tehran radio was complaining that Iraqi troops had fired on President Sadat's helicopter during a tour of the disputed border area. Iran's delegate, Mr Ali Akbar Moinefar, who had been replaced as Oil Minister before he appeared, was unable to agree on anything.

Opec therefore splits into two factions, a majority of 10 and a minority of three. If the 10 were to go along with the scheme alone, the strains on unity would be enormous. But if, after two years of study and three days of intensive discussions, agreement could not be reached, what chance is there of running the scheme successfully? And if Opec cannot run its own house effectively, what force can it have in any discussions with the industrialized countries on help for the Third World?

Disagreements on aid have been almost as strong as those on long-term pricing. It was proposed that at least 10 per cent of all revenue from oil price increases should be used to help the Third World. The Arabs have proposed that it should be linked to oil price increases and the West should link aid to price rises of its manufactured exports. Venezuela and Algeria have proposed a \$2,000m bank. Saudi Arabia believes Opec is in danger of going too far too fast and wants the newly increased special fund to be made to work efficiently before more grandiose plans are tried.

The upshot is that Opec has added its weight to the United Nations' plan for global negotiations next year on the problems of developing countries' economies which have achieved little in the preliminary stages. Before Opec could put a long-term price plan into effect it would have to renege its price controls. Had Saudi Arabia not increased its price by \$2 to \$30 to narrow the gap with the present ceiling of \$33, the disinclination on prices would have been too great that Opec would have been doomed to failure.

As it is a combination of unity and agreement may be prepared, but the reality is different. Before the Vienna meeting Opec's rhetoric, particularly its solidarity with the Third World, had a ring of sincerity. It was believed that Opec's members were sincere in their desire to help the Third World. But now it is clear that the damage to the image it has long cultivated for responsibility.

Nicholas Hirst

Geoffrey Smith

The vital choice that faces Lord Thorneycroft



Lord Thorneycroft: comes amid signs of relief

Lord Thorneycroft's decision to stay on as Conservative party chairman has saved Mrs Thatcher from a predicament. There would have been no obvious, and possibly no acceptable, successor at this time, says Lord Soames, the right, rather outside, public personality; but among his many gifts he has never numbered a patient appreciation of the local pillars of the party. He was not a particularly good constituency MP and he might well have been bored with those duties of a party chairman which are more mundane, but essential.

Mr Francis Pym demonstrated as Chief Whip his notable talent for managing people, but it is probably too soon to move him from the Ministry of Defence and he could not reasonably be asked to be both Secretary of State and party chairman. Mr Michael Heseltine would be ideally equipped to arouse the enthusiasm of the constituency associations though his appointment would require a Cabinet reshuffle. But he is not sufficiently close to Mrs Thatcher for her to be satisfied that he would stand upon his head. Prime Ministers tend to prefer chairmen who are popular, but not too popular.

It is not forgotten that Mr Macmillan moved Lord Hailsham from the chairman's election immediately after the 1959 election. Mr Peter Walker has many of the required qualities, except that he would stand still less chance of establishing a party leadership of happy confidence. Mrs Thatcher and Mr Thorneycroft are successful unless he has the confidence of Lady Young, the Minister of State for Education, who is a successful deputy chairwoman of the party and an onerous personal enemy of Mrs Thatcher, but it would be preposterous to ask her to have a woman both as Prime Minister and party chairman.

Lord Thorneycroft will continue to enjoy approval, and quite a few signs of popularity. But it would be a mistake to suppose that his decision removes the need for the Prime Minister to think any more about the party's chairmanship. The present arrangements make the least of Lord Thorneycroft's greatest strength and the most of his greatest weakness.

He has altogether been remarkably successful. It is not uncommon to hear senior Conservatives describe him as the best chairman since the glorious days of Lord Woolton, though I would have thought it difficult to measure his contribution against the revivification achieved by Lord Hailsham, the much-maligned "European initiative" and the "European spirit" which Mrs Thatcher has not performed all the tasks of a chairman equitably well.

He has been most valuable in the role of a wise, trusted, experienced counsellor in the latter definitions of the party. He was a dominating figure in the Shadow Cabinet before the election. He has been a critical part in the campaign itself when his sense of strategy told him that this was an election which the Conservatives would win, provided that they kept their heads and their feet. He has served in the Cabinets of four Prime Ministers, he brought a depth of political knowledge. As a man with his active political career behind him.

But this role of senior adviser was one which he was able to play more effectively before the election than he has since. That is partly because party opinion nearly always matters more to the leaders of a party in opposition than in office. Worried Cabinet ministers have often pressures bearing down upon

them as well. But more important explanation is that while Lord Thorneycroft was a member of the Shadow Cabinet he is not in the Cabinet at all. It would no doubt be a personal sacrifice if he were to give up all his business and political life to do it. If he were to do it, Mrs Thatcher should press him to do it.

There is a case for a party chairman serving in a Cabinet. Cabinet: busy, almost need to be kept in touch with party opinion.

He has not been an impressive figure in the more mundane task of party administration, which does not seem to have kindled his interest to the same extent. The decision to wind up a community affairs department as a separate entity in Central Office was a short-sighted move. Bringing the research department into Central Office was a mistake.

Lord Thorneycroft is therefore the kind of chairman who needs a strong, politically knowledgeable managing director with a gift for administration. He is not alone in this. One of the reasons why Lord Hailsham's term of office from 1952 to 1959 was so successful was that his predecessor, Mr Poole, stayed on as deputy chairman. Lady Young felt that Lord Thorneycroft, from 1977 until after the election, but there is no doubt of considerable political standing.

This is a gap that needs to be filled. If Lord Thorneycroft intends to stay on for as long as time, but for how long should he stay? He has two choices. He could decide now that, provided his health permits, he will continue for the next election. The alternative is that he should leave the party chairmanship in 1983, assuming that this does not slip into inertia.

But if he feels that at the age of 71 such a decision would be too much of a risk, then the time to go would be at the next year's party conference. This would leave sufficient time to ponder the difficult choice of a successor; it might fit well with a major Cabinet reshuffle, which would be appropriate by then; and it should give the new chairman just enough time to get to work in preparing for the next election.

The last time a sitting Conservative Government was re-elected was in 1959; and a steering committee of half dozen senior ministers, headed by Mr Macmillan's chairmanship, planned party strategy and prepared the manifesto, held its first meeting in December, 1957, nearly two years before the election. The party conference will be nearly two years before the next party date for the election: October, 1983.

But the worst of all worlds for the party would be if Lord Thorneycroft's term were to drag on with nobody quite sure whether or not he was going to remain for the election.

Michael Binn

That Camp David framework looks fragile

This is the last of five articles on the spirit of Camp David by Richard Owen, of The Times, who recently returned from a tour of the Middle East.

The Middle East is waiting. It is waiting for the presidential election in America in November. It is waiting for the general election in Israel, due to be held in November next year, but likely to take place before then, perhaps in the Spring. It is waiting for the Arab leaders to state their position at their summit meeting, to be held in Amman shortly after the American election. It is waiting for the Nine states of the EEC to state their position, following the fact-finding mission to the Middle East this summer led by the chairman of the Council of Ministers, Mr Gaston Thorn.

Throughout the Middle East, there is a sense that the period which lies ahead will be the most critical for the future of the region since the visit to Jerusalem by President Sadat of Egypt in 1977. Two years ago, almost to the day, Mr Sadat, Mr Begin and President Carter signed the "framework for peace" they had hammered out at Camp David, and invited "other parties to the Arab-Israeli conflict" to adhere to it. Two years later, no "other parties" have joined in.

"Moderate" Arab nations such as Jordan and Saudi Arabia have remained aloof and suspicious. Above all, the Palestinians, whose tragedy lies at the heart of the conflict, regard the Israeli-Egyptian concept of "autonomy on the West Bank and Gaza" as a betrayal of their desire for a homeland, rather than a first step toward it.

Somewhere along the line, things have gone astray. Partly, the loss of impetus has been attributed to the personalities of the two national leaders involved: Mr Sadat and Mr Begin, both showed courage and imagination in coming to terms at all. But the blame has also been placed on the little meeting of minds behind the public smiles and mutual griping of elbows.

Scriptural niceties apart, many of the obstacles which have arisen since Camp David do in fact derive from Mr Begin's vision of biblical destiny. This includes the building of Jewish settlements in what the Israeli leader calls "Judea and Samaria". The last straw for Mr Sadat was the passing into law of a Knesset Bill making Jerusalem the "united and indivisible capital of Israel". The Begin Government, according to Cairo, is putting Camp David at risk by altering the very substance of the talks.

Some Egyptian officials suggest that the Israeli leader is out to gain as much as he can from "bilateral" talks, his shaky right-wing coalition goes down to an inevitable defeat in the general election. This line of thought has a mirror image in Israel, to the effect that it is not Mr Begin who is undermining Camp David but Mr Sadat, who is deliberately overreacting to Israeli moves. The real Egyptian aim, in this view, is to regain the third of Sinai not already handed back, before supporting the peace process, and rejoining the Arab family of nations.

What the name on the map stands for, of course, is a genuine Arab desire to see justice done over the question of the four and a half million Palestinians, some of whom are on the West Bank, some of whom are dispersed. Much will hinge in the next few months, on whether the Arab countries can capitulate on world opinion, or whether the Israelis will accept the West Bank, and on the measureable increase in sympathy for the Palestinian cause. The Palestine Liberation Organization itself has helped in this respect, and, admittedly, in an ambiguous way, more diplomatic and moderate approach.

The Israelis fear that PLO moderation, or an appearance of moderation, will be combined with the Arabs' use of their powerful oil weapon to force the Americans to reduce their commitment to Israel. They also fear that Mr Carter, if re-elected, would be unconvinced by any need to placate the Arabs, and would adopt a more realistic, and, in the long run, more effective, policy. The reality is, however, that in the hard world of power politics the Arab nations—those which happen to be oil rich—have a perfect right to exact any pressure of their own. Indeed, they have in their use of the oil weapon so far.

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A pioneer looks back on 20 tricky years

Tom Sherry is one of London's best known traffic wardens. He joined the service just after it started exactly 20 years ago and has served as long as anyone: this year he became the first—and so far only—warden to be awarded the British Empire Medal.

His two decades on a very delicate task, trying to reconcile often irate motorists with the demands of the law, has left him cheerful and unbothered, despite some unpleasant encounters along the way. In his early years he was actually punched between the eyes by a motorist who had apparently received a parking ticket from him and was determined to exact revenge. He found out Mr Sherry's name and where he was patrolling and lay in wait. Mr Sherry saw the car and innocently suggested to the driver that he move round the corner where parking was unrestricted. The next thing he knew was his name being called and he turned round to receive a fist in his face.

The assailant was, however, foolish enough to make the assault directly outside a building which the warden and police used for tea. Mr Sherry was immediately apprehended by two burly men of the law and the sequel was a heavy fine. Mr Sherry stresses that such incidents are untypical.

He became a warden in November 1960 after several other careers: he had been a merchant seaman, run his own business and spent nine years as a London bus conductor. He qualified to drive buses but was told it was more difficult finding suitable people for the back of the vehicle than the front. "They seemed to think I had the right personality for dealing with the public," he recalls, a quality that was most certainly needed when he began patrolling the London traffic warden service in face of considerable scepticism and some outright hostility.

"At first," he says, "everybody thought the wardens were a temporary thing and would probably fade out after three months. They were compensations. One day he topped in Soho, pulled out his notebook to take details of an illegally parked car and became aware that a small light was being lowered in his direction.

Looking up he saw that it was a car's light, and seemed to come from an upstairs window. Then a woman's voice said: 'Leave the car alone, ducks. I'm on the third floor, so why don't you come up?' He admits that traffic enforcement in London is nothing like what it should be "simply because there are not enough of us."

In fact, the number of wardens is declining weekly and only just over 1000 are left to cover the Metropolitan Police area out of an establishment of 1800. To do the job properly would need something like 2500. Mr Sherry thinks that there is probably not enough money in the job.

Mr Sherry's 69th birthday, however, he plans to call it a day so that he can spend more time visiting his family which now includes five grandchildren. After walking up to 18 miles a day in all weathers for so long, he is going to find it quite a change.

Peter Waymark
Motoring Correspondent

"Widely acclaimed," he conceded, "but scarcely well known."



He formed the words reluctantly, as though afraid "La Grande Complication" might lose some of its aura through the mere suggestion of being famous.

Whilst, as I pointed out, awareness of this extraordinary masterpiece of the watchmaker's art cannot dull its brilliance, its price of £40,000 means that few people will ever know the pleasure of owning one.

Everyone else, I reflected, must be content in the knowledge that such craftsmanship still exists today.

As if reassured, he handed the slender chronograph back to me, his fingers lingering for a moment on the finely edged gold case.

Audemars Piguet

Illustrated brochure and a list of appointed jewellers is available from Audemars Piguet, 73 Saffron Hill, London EC3N 8RS.

MOSCOW DIARY

Part of the attraction of Boney Ratt, the Russian rock band, is that it dwells on a subject that is still politically sensitive in this country. Those dancing to the number's throbbing rhythms in Moscow must have the added frisson of mocking—and getting away with—a social and political taboo.

Down in Muslim Uzbekistan, in the main tourist hotel of the ancient city of Samarkand, they have found an exact equivalent. On Saturday night the local long-haired Uzbek youth, wearing tight jeans, high-heeled boots and sporting black market T-shirts emblazoned with pictures of Elvis, twist and gyrate in wild abandon as the band belts out fornication and their favourite Russian number: *Ghen, Ghen, Ghenis Khan*.

The incongruity is scarcely believable. The very name of Samarkand conjures up the ancient caravans of the Silk Road, the dusty mosques in the furthest reaches of the old Arab empire, the proud capital of Timurid empire whose awesome power stirred the imagination of Marlowe's England.

Generations of old men in turbans and long striped robes told their grandchildren of the ravages of the Mongol invader and the desecration wrought by the cruel hordes of the mighty Khan. For 200 years the heirs of Ghenis Khan, the ruler of the vast Mongol empire, ruled of the Central Asia, in subject and in peace. And last month Tass, echoing old Russian prejudices,

denounced Chinese hegemonists for trying to control the number of nationalities they can spot in a day. (If you reply from England, the inevitable next question is, "Liberate Manchester United, Bobby Charlton?") It helps to have some football patter handy if you want to strike up an instant friendship with a local. Samarkand has grown used to visitors in a way that towns three times the size in the depths of the Ukraine never will. And it has adapted. The blue-tiled shrines and mosques of Timurid and his grandson, Ulu Beg, have been meticulously renovated. The dilapidated and latticed windows of the newly restored madrasahs (Muslim theological schools) have been decorated with authentic Koranic texts, and the walls and vaulted guides are on hand to whisk tourists around these secular museums.

The barmen in the tourist hotels can offer, for hard currency, Scotch whisky and local wine and can even joke in Japanese. Little shaven-headed boys from the picturesque thatched mud houses of old Bukhara run after you shouting "German? French? Czech?" and implore you for chewing gum as if they had been transported straight from the streets of Moscow.

It is all rather beautiful, impressive and peaceful. Afghanistan seems a long, long way away. Ironically, with the few even ask where you are if you are trying to compare the number of nationalities they can spot in a day. (If you reply from England, the inevitable next question is, "Liberate Manchester United, Bobby Charlton?") It helps to have some football patter handy if you want to strike up an instant friendship with a local. Samarkand has grown used to visitors in a way that towns three times the size in the depths of the Ukraine never will. And it has adapted. The blue-tiled shrines and mosques of Timurid and his grandson, Ulu Beg, have been meticulously renovated. The dilapidated and latticed windows of the newly restored madrasahs (Muslim theological schools) have been decorated with authentic Koranic texts, and the walls and vaulted guides are on hand to whisk tourists around these secular museums.

Frankly I find it hard to work up a sense of loss and outrage when I didn't know it existed.



pulling away from the old customs towards the urban societies of the industrialized north. But they are becoming curious about their past and month after month thousands of tourists from the Middle East and Europe are flocking round the working mosques and shrines, persuaded by their hosts that Soviet Muslims enjoy full rights and equality while reminding the local inhabitants that Islam has become a force the Russians now have to reckon with.

Samarkand in fact has a revered Islamic shrine nearby, the burial place of Imam al-Bukhari, whose collection of Muslim customs and ritual is considered one of the most important in Islam. The mosque near the gate is now under state protection. The courtyard is packed with the faithful every Friday. The present Imam, Khani, a hospitable man well accustomed to receiving foreign delegations, said the mosque cost his community several thousands of rubles. He said the finest bricks brought from Bukhara and decorated with glazed tiles. A local craftsman was offered the astonishing sum of 4,000 rubles (£2,500) for a month's work.

On the final day the Imam put the cash on the table in front of me. "I have given you rather more, the money for your name inscribed in Arabic over the door?" he asked. The builder chose his time with a sign of relief the Imam quickly took back the money. "You see," he told me proudly, "how I was able to save money for our community."

Samarkand has just discovered to its joy that archaeological evidence now makes it at least 200 years older than the commonly accepted 2,500 years, thus delightfully beating its ancient rival Bukhara as the oldest city.

But Bukhara boasts that its cotton, the white gold of Uzbekistan, is superior to any other city's; it is today's planned economy that is what counts.

The two old cities have come a long way since the day only as far back as 1920, when the ruling empire failed to have any allies, failed to fly any flags, failed to have any money. They are probably better tribute to Soviet power than anywhere else in the country and appear quite at ease in their new role as hard currency winners.

But alas, no carpets are to be had in Bukhara; and the Golden Road to Samarkand is packed with Lada cars and smelly tourist buses bringing today's pilgrims to see, in the Muslim shrines but the dramatic contrast of the sun at sunset that begins, appropriately, with the planning decision: "I am Ghenis Khan."

Michael Binn



bells have begun to ring should not lead to the conclusion - during th

PETTY JAB AT MR CHAPPLE

RONARDO IN THE AUCTION ROOMS

Use of electoral rolls

Visit by EEC group

The changing shirt

From Professor I. N. Morris

Loft insulation grants

Football violence

obstacles may be insurmountable.
The Government has taken a

England Test players

1

From the Chairmen of the Historical

Case for defence spending

took Shakespeare on tour, at home and abroad, to enthusiastic audi-

the Baltic, as did Hitler. Like Hitler, he understands the importance of

Settlement for Belize

and mainly false, critiques.
 Issues, etc.

Programme note
From Mr R. J. Packer
Sir, *The Times* has recorded many recent instances of friction in Anglo-French relations. You may not know, however, how deeply this malaise is entrenched, encompassing even the inanimate world.

I travelled to Paris recently with Air France on a ticket issued by British Airways. I was somewhat gloomily contemplating the probability of a difficult day with French officials, only to be further cast down by being told that my flight was not recorded on the computer. I was only partly reassured by the explanation from the charming Air France stewardess.

"Don't worry," she said, "your flight will have been recorded on the British Airways computer. It and the Air France computer often fail to exchange information. They seem to reject each other's messages in a way other computers don't."

Yours ever,
R. J. PACKER.
1 Milverton Street, SE11.
September 10.

Afghan refugees struggle to find a home in a wasteland

going on must be transformed into long-term development plans—not just for the refugees, but for the people among whom they have come to rest.

Caroline Moorehead

Heavily armed soldiers stand by as voters turn out in Santiago during last week's constitutional plebiscite.

Chile's middle class helped Pinochet to slam the door on democracy

The noise was chilling. It was the sound of a people slamming the door on democracy. Whether they forced willing for Pinocchet or under duress does not matter now, they have cut him for at least the next eight years.

Malcolm Brown

Malaysian economy

Chinese losing hold on business

David Watts

A black and white photograph of a bottle of Highland Queen Scotch Whisky. The bottle is dark with a light-colored label. The label features the brand name 'HIGHLAND QUEEN' in a bold, serif font. Above the name is a small crest or logo. The bottle is shown from a slightly low angle, emphasizing its height. The background is dark and textured.

هكذا من راصل

مکذا من راصل



Joint bank venture with Arabs

Thomson-Brandt, the French electronics company, is starting a joint banking venture with an Arab bank. It claims it is the first industrial company to do so on a large scale although, according to M. Michel Valentin, Smith, the assistant general manager, it is certain to be just the first of many such joint ventures.

The Arab bank is the Byblos Group, and it is providing 70 per cent of the initial capital of 50m francs (more than 25m). Thomson, while retaining minority holding company through one of its subsidiaries, has smoothed the way for the Lebanese group into France.

The Thomson Group, although based in the electronics and engineering industries, has an important financial activity through the Societe Financiere Electrique de Banque, its subsidiary, which holds Thomson's participation in the new Byblos Banque France.

Personal income rise

Personal income of Americans increased 0.8 per cent or \$16,400m (about \$6,890m) in August to a seasonally adjusted annual rate of \$2,138,000m, the Commerce Department announced in Washington.

EEC-Brazil pact

Brazil and the EEC have signed a five-year commercial cooperation agreement in Brussels setting up a mixed commission to further their economic ties. The EEC buys 30 per cent of Brazil's exports.

\$300m Euroloan

Fundidora Monterrey of Mexico has signed an eight-year \$300m Euroloan in London with a group of 21 international banks headed by Bank of America.

Irish pay agreement

Workers and employers in the Irish Republic have agreed to limit pay rises to about 17 per cent over the next 15 months, a joint statement said in Dublin.

Joint venture with Peugeot could create jobs in southern Italy

Fiat's drive to keep out Japanese

Fiat, looking beyond its present labour troubles, has taken an important step towards defending its European markets against Japanese imports.

Fiat's decision to develop an advanced, fuel-saving engine, jointly with Peugeot, France's biggest manufacturer, fits in with the Turin group's belief that Europe's car manufacturers must work together to survive.

Fiat expects to make substantial savings through developing the engine jointly with Peugeot. It is planning to market annually from 1985 up to 1 million 1.1-1.3 litre engines which should save 20 per cent fuel without impairing performance.

No decision has been taken on whether to build the engine in Italy, France or both; but Italian unions are hoping production will be located in the south in the Mezzogiorno, with the creation of up to 5,000 jobs.

Unions have given the deal qualified agreement, though it has not ended strikes in northern plants against Fiat's decision to dismiss 14,469 workers.

Tension has eased, however, after the intervention of Signor Franco Foschi, the labour minister, who cancelled a visit to Luxembourg to mediate at Fiat. A central point in the dispute is "external mobility—the possibility of transferring workers to other jobs in Piedmont outside Fiat."

The company maintains there are enough vacancies in other industrial companies to absorb them, but the unions contest this.

The unions have presented a series of proposals, including temporary redundancies by rotation for 24,000 workers, a halt to recruitment, acceptance of early retirements and the retraining of workers in new skills.

The labour ministry talks were suspended yesterday while union leaders addressed workers at Fiat plants.

The agreement with Peugeot had been pending for some time. In June Signor Umberto Agnelli, who has since stepped down as joint managing director, but who is still in the top Fiat management, forecast that far-reaching agreements would soon be announced with other European manufacturers.

Collaboration with Peugeot dates from 1978, when the two companies formed Seve, a 50-50 subsidiary, to manufacture light commercial vehicles at Atessa in central Italy. Production is to start next year.

Early this year the two merged their manufacturing subsidiaries in Argentina,

though each will continue to sell there under its own brand name.

A central aim of Fiat's strategy is that the Japanese car manufacturers must be kept out of Italy, where they are restricted to an annual quota of about 2,000.

Fiat has opposed totally the deal agreed between the Italian state-owned Alfa Romeo and Nissan, of Japan. Fiat offered Alfa Romeo an alternative collaboration venture, but was rejected.

The Cabinet's industrial policy committee met yesterday to decide, after many delays, whether to approve the Nissan deal. But ministers were unable to reach agreement, and have put the matter in the hands of Signor Francesco Cossiga, the Prime Minister.

The Alfa-Nissan venture envisages the production at a new plant near Naples of 60,000 medium-sized cars a year, using Alfa engines and Nissan bodies. It is strongly supported by Signor Nicola Capria, the Socialist minister for the Mezzogiorno and the trade unions. It is opposed equally firmly by Signor Giorgio La Malfa, the Republican budget minister, and Signor Antonio Bigaglia, the Christian Democrat industry minister.

John Earle

Hitachi to sell large computers

By Kenneth Owen
Technology Editor
Hitachi, the Japanese electrical and electronics company, is making a three-point attempt to move into the European market for large computers. Its powerful IBM-compatible machines are now being marketed in Europe by three separate organizations—none of which is Hitachi.

Yesterday, Olivetti, the Italian office-equipment company, announced that it was setting up a general-purpose computer business with the setting-up of Olivetti Computers (UK). It will market large IBM-compatible computers from Hitachi and medium-size ones from ICL Systems of Walton, Massachusetts.

The other two sources of the Hitachi machines are BASF in Germany and National Advanced Systems, formed a year ago through the takeover of the data products group of ICL by National Semiconductor Corporation of California.

Mr Vittorio Levi, chairman of the parent Olivetti Computers, said yesterday in London that customers were likely to be "a little confused" when faced with three organizations selling the same products. Hitachi would have to clarify its market strategy for its large IBM-compatible computers, he added.

Companies seek stake in business satellites

By Bill Johnstone

Business communications satellites could soon be introduced in the United Kingdom if businessmen respond favourably to a survey which British Aerospace is expected to carry out.

A number of manufacturers in the satellites communications industry, including British Aerospace and Marconi, have expressed an interest to the Government in such a project.

At present it is unclear whether such satellites would be used in this country or as a system of business communication across Europe or the Atlantic.

The response by the manufacturers is the result of an invitation by Sir Keith Joseph, Secretary of State for Industry, in July when presenting proposals for changing the monopoly held by the Post Office in telecommunications.

Sir Keith said: "I am exploring the scope for allowing the private sector to provide telecommunications services as satellite business systems."

British Aerospace, with its substantial expertise in satellite systems for defence, is likely to be the first to conduct a survey among potential industrial users to see what they might expect from such a service.

Such satellites are part of the new policy in telecommunications which will allow the

private sector to provide what have been termed "value added services".

British Aerospace has already given evidence to the Home Office that could result in a special licence being launched for broadcasting.

However, the use of business communications satellites to economic effect and how the business community would respond to the services presented is an equally unclear across the Atlantic as it is here.

In the United States the service is being pioneered by Satellite Business Systems, among others. SBS plans to launch its first satellite designed specifically for business use next month and it will go into operation in the spring next year.

There is little doubt that British Telecom will become involved in any project providing business systems in the United Kingdom because the corporation is, and will be even after Sir Keith's private sector policies, the main operator of the British telecommunications network.

British Telecom is aware that satellites will play a greater role in the communications of the future, both commercial and private.

Mr George Jefferson, British Telecommunications new chairman, has considerable expertise in the field of satellite communication.

750 jobs to go at Tootal

The north-west suffered another employment setback yesterday when Tootal Menswear said it was making 750 workers redundant, of whom almost 600 work in the north-west.

The cuts affect three manufacturing centres in Manchester and others at Bolton, Glasgow, Dukinfield and Stockport.

Tootal will stop production of handkerchiefs at its Newton Heath factory in Manchester with a loss of 150 jobs. Another 116 workers will be made redundant at Bolton, 45 jobs will go at another Manchester plant and at Dukinfield a cotton spinning plant will close, losing 20 jobs.

Further redundancies at Levenshulme in Manchester and Stockport total 255, and a further 164 jobs have been cut at Tootal's Glasgow plant.

About 90 workers will lose their jobs at James Carr and Sons of Winsford. The company is transferring its production to British Trimmings at Stockport.

A Lancashire truck company is to put its 1,600 workers on a one-day week. Employees of Seldon Axington of Walton-le-Dale, near Preston, are already working a three-day week.

The 1,900 workers at the Hotpoint washing machine factory, Llandudno Junction, who have been on a two-and-a-half-day week since will resume full-time working on Monday.

The Shand Kydd plant at Christchurch in Dorset, Europe's biggest wallpaper factory, is to close on October 3 with the loss of 400 jobs.

A slump in lingerie sales was blamed for nearly 50 redundancies at Charnock's factories in Long Eaton and Ilkeston, near Nottingham.

About 200 employees—half of the labour force—have had their working week reduced to three days at the Plessey factory in Bathgate, West Lothian.

LETTERS TO THE EDITOR

Faults in the Brookings report

From Mr N. J. Brady

Sir, The press reports of the recent Brookings Institution study, *British Economic Performance*, give an absurdly distorted view of the study. This, in my opinion, is because the bias of the commentators, which one expects and can therefore discount, is seriously compounded by a biased, selective and misleading study arising from the most part in the introduction and summary, which is inexcusable in a supposedly academic piece of work.

If I chose to be equally selective and biased I could easily concoct the following headlines: Inefficient Management the Most Significant Cause of Low Productivity; Rising Trend of Imports Much Worse in United Kingdom; Trade Unions Not the Cause of Low Productivity; Taxes on Low Wages Should be Reduced; High Taxes Not a Disincentive; City Restricts Funds to Small Businesses.

I accept at face value the methodological framework of the statistical methods and assumptions which underpin the study, although, as with all studies of this kind, they may be open to criticism. The question I wish to deal with is whether the conclusions arrived at by the individual authors, the editors of the book and the press commentators are correct and properly qualified. The answer is no.

It would take up far too much space to detail all the points in justification of what I have said, but two of the more important ones concern productivity (which has been described as the core of the study) and the import problem. It may come as a surprise to those of our readers whose knowledge of the study is confined to press reports, or even

to the introduction and summary chapter, to learn that by far the most significant statistical relationship "explaining" below average productivity compared with the average difference between this country and the United States is management inefficiency as specified by the author—more significant than the influence of collective bargaining (the trade unions?) and strike activity. But in his chapter on the subject Professor Caves concludes that he found "strong statistical evidence to support the negative influence of both poor labour-management relations and deficiencies in British management." The evidence cannot be described as strong and the implied balance between the two factors is also wrong.

By the time he comes to write the summary the balance has shifted entirely. British labour, he tells us, has a "kechpin role" on productivity in the long run. Even worse is to come on the next page where he refers to "the shortcomings of British management and the obstinacy of British labour." Such language has no place in an objective study. How can a commentator could refer to a "wealth of statistical evidence" of the study is beyond me. Another leading commentator in a long article about the study chose to ignore the management finding altogether.

Another aspect picked up in the press is the conclusion that Britain's import problem is due to a lack of competitiveness. But the chapter dealing with this shows that although the response of imports into the United Kingdom to changes in domestic demand is not out of line, the change in exports is much higher than the average.

If anything, I would have

thought that this lends a support to the argument for port controls but the audit of the chapter dealing with imports dismisses the Cambridge School in two brief sentences. Professor Caves in his summary says that the rising imports should be interpreted as a future certainty but a failure of economics to identify some trend for working in the past. But were an economist forecast among other things, the low imports (which I am) or a decline weighing up trade options, would Professor Caves advise me to ignore the trend of imports just because economics cannot identify the reasons?

I have touched on only a few important criticisms of the study and its summary. It is thing to establish a relationship between two variables (relationships which the most part vary in the from weak to very v and quite another to detect the direction of causality, problem is on occasion a side and we are told that before the age.

Professor Caves et al constructed a house of cards in which to place their own prejudice instead of a rigorous analysis from statistical evidence and from the policy recommendations have weak statistical basis. Inadmissible conclusion and a totally incorrect recommendation that is, forgiveable and although not enjoy it, we should make ourselves comfortable.

Yours faithfully,
N. J. BRADY,
18 Walton Park,
Wotton on Thames,
September 17.

Bank queues

From Mrs G. Heasue
Sir, Barclays Bank Limited, Cheapside, in the City of London have the word chain the cashier's tills as sung by Mrs J. Brand in her of September 12 and very queues at lunch time.
Yours faithfully,
GERDA HEASUE,
251 Palmouth Gardens,
Ilford,
Essex, IG4 5JL.

Gold galore

From Mr A. F. Baker
Sir, While intrigued by the Russian gold lying in the Barents Sea, one is reminded by the rate of gold reflected in the Bu Diary report of September "5.5 million" tonnes of valued at £1.5 million in a gold price of £0.000006 the ounce in 1942. At a rising price of £280.00 per ounce this represents an inflation rate of 3.28 billion cent.

No wonder the boat is yours faithfully.
A. F. BAKER,
Huddersfield,
10 Hilda Chantlers,
Tunbridge Wells,
Kent TN3 0BJ.

Small businesses must take up challenge

From Mr Peter F. Gibson

Sir, I have read with considerable interest the letters from Mr Edward Frewin and Mr Jo Grimond today (September 16). I, myself, am a senior partner of a small professional firm and know only too well the many pitfalls surrounding small businesses, which have been very adequately stated by Mr Frewin.

However, I firmly believe that the Government of the day can give us nothing. They can only hope to make the general business environment better for us to be more successful in. I am, however, of the opinion that Mrs Thatcher does not consider that we have yet changed sufficiently in our responsibilities and attitudes towards each other and we are still, all of us, the victims of the prevailing difficulties in which we find ourselves will be put right by somebody else. In other words we must be seen to be giving, not merely wanting to receive.

I am aware that many small businesses are suffering in proportion greater than the large businesses, but the small businessman has it within his power to be heard and to bring

about a positive change of attitude. Regrettably, in many many instances he fails to accept the challenge and falls by the wayside.

Turning now to Mr Jo Grimond's letter, I fully support his views and have been trying for some time to encourage local directors of two major clearing banks to open up commercial banking offices within this town so that the small businessman can, through his own branch and have the expertise available immediately to obtain the sort of assistance he is seeking and not through unknown officials at the great offices, who at no time is ever likely to be permitted to meet.

The way ahead is a challenge. Let's do something about it and be positive and I do speak from experience.

Yours faithfully,
PETER F. GIBSON,
Senior Partner, Gibson, Eley, Chairman, Reading Chamber of Commerce and Trade, Reading, Berkshire Council of the National Chamber of Trade, 9 Castle Street, Reading RG1 7SB.

FACING TOMORROW'S CHALLENGE WITH CONFIDENCE

- * New U.K. company, Dalgety Spillers Ltd., successfully launched.
- * Final dividend of 11p recommended. Total for year 22p (20p—1979).
- * Excellent Dalgety agriculture results worldwide.
- * Record results in Australia and New Zealand.

Preliminary announcement of results for the year to 30th June 1980

| | 1980 £million | 1979 £million |
|--|------------------|------------------|
| Group Profit before Interest and Tax: | | |
| United Kingdom (excluding Spillers) | 20.1 | 13.1 |
| Australia | 9.9 | 7.5 |
| New Zealand | 11.8 | 9.6 |
| U.S.A. | 0.2 | 4.0 |
| Canada | 5.8 | 6.2 |
| Total excluding Spillers | 47.8 | 45.4 |
| Spillers (including overseas) 8 months | 11.5 | — |
| Total Profit before Interest | 59.3 | 45.4 |
| Interest (including Spillers £4.8 million) | (28.0) | (13.9) |
| Profit before Tax | 33.3 | 31.5 |
| Estimated Tax | (15.0) | (9.9) |
| Group Profit after Tax | 18.3 | 21.6 |
| Minority interests | (2.0) | (1.7) |
| Group Profit after Tax attributable to members of Dalgety Limited before Extraordinary Items | £16.3 | £19.9 |

NOTES:

1. Profit before tax includes £3.1 million in respect of associated companies.
2. These figures are unaudited and are subject to adjustment.

The Report and Accounts for 1980 will be posted to shareholders early in November.



UNITECH

Continued growth

SALES

1980
£71.8m

In the year ended 31st May 1980:

- Sales were up 56% at £71.8 million
- Pre-tax profits increased 48% to £5.2 million
- Total dividend is increased 22% to 6.09p per share
- Exports and overseas sales accounted for 42% of total sales
- Two rights issues raised a total of £7.7 million
- Two major overseas acquisitions were made: Alfred Neye Enatechnik in Germany. Comatel S.A. in France
- Net assets increased 91% to £19.6 million

1979
£45.8m

1978
£33.7m

1977
£26.5m

1976
£19.5m

"Although the current year has started well with demand for the first two months ahead of the last year, current conditions in the electronics industry are more difficult than a year ago. While your Board still expects to report another year of progress, the rate of increase is likely to be considerably less than it has been for the past few years."

P.A.M. Curry, Chairman.

UNITECH LIMITED

A group of companies principally engaged in marketing and manufacturing electronic components and equipment.

If you would like a copy of the Annual Report please write to: The Secretary, Unitech Limited, Phoenix House, Slough, UK, Reading RG1 1NR.

BY THE FINANCIAL EDITOR

GKN makes the point

There are no illusions left that the engineering industry is not the most successful in the last year, then they were by Guest, Keen & Nettlefolds.

Meritor results showed profit down two-thirds at £22.4m on static sales of £1,000m—and, worse, the as been cut by a third to 5.7p.

GKN does not take action of this and with the payment still on historic cost basis it had a huge then is simple. The recession, in its automotive components in the United Kingdom, is so deep as to make it clear that it had not but to reflect this in its payment.

Home makers there is no point around the bank. Thus, the steel industry cost profits some £18m, but being of a random figure since it was what was really going on in place. The outcome, with one or two spots helping to mitigate the is that GKN earned no profit in



Hildesworth, chairman of GKN.

however, where the automotive industry has been better than elsewhere outside Japan, the position was bough hardly encouraging. In ere GKN has a \$100m investment in constant velocity joints for ed of US small cars coming on its will not start until next year. 1981, the share price, along ket, was shattered by this, GKN 1980. Whether this is the floor on the dividend, rather than h can now be expected to fall to around £40m. For the year, a third in the year's dividend yield of 91 per cent which is it out of line. But GKN may be less severe with the final—by rest rates should be falling and sheet remains strong with gear 30 per cent.

The efficiency benefits which from the retrenchment which ing on over the past year will be a. This is no time for long-term be losing their nerve.

Mackintosh title for share

of a 9 per cent drop in the for confectionery after last increase and destocking by re. As Rowntree/Mackintosh under heavy pressure.

Rowntree's total fully paid down 1979 was no worse than the 1978, although it compares 1979, reported recently by 1979, which seems to have 1979, Rowntree has managed to share mainly at the expense of its volume, shortfall to points. Turnover was slightly 1979, but margins have ed particularly overseas by 1979 to leave trading profits ed. On top of this there is a sp in interest charges to £6.6m and higher borrowings have parts in lifting finance charges.

but having passed the seasonal peak, Rowntree is fairly confident that net debt will unwind to around last year's £75m level at the year-end.

All now depends on Christmas, but despite faint signs of recovery on the retail front Rowntree will be fortunate if it makes profits of much more than £33m against last year's £40.4m. With a heavy capital expenditure programme tailing off that sort of outcome will not produce a dramatic cash-flow gap.

But, a full-taxed 1/5 ratio of under 13 with the shares at 176p looks expensive in the short-term given the danger of a battle royal in the confectionery market next year. Meanwhile a yield of only 6.5 per cent—even assuming a 10 per cent increase after a maintained interim—would represent a 13 point premium over Cadbury which cannot be wholly justified given the circumstances.

Yesterday's confirmation that the rise in the August money supply was of the order of 3 per cent—2.9 per cent to be precise—has little impact on financial markets. What is clear, however, is that the public sector was a major contributory force to monetary expansion last month in spite of the high level of gilt edged purchases by the private sector. That is a situation that can be expected to improve considerably in September, albeit that the gilt take-up by the private sector will be lower.

What one is to make of bank lending to the private sector is anyone's guess, however. On the face of it the sterling interest rate was as low as £50m after stripping out the fall in the "bill leak", and even lower than that if one allows for possible round-tripping.

As we well know by now, however, a single month's figures mean nothing in isolation. And the message that seemed to be coming out of yesterday's Cabinet meeting is that the Government will want a closer look at the September figures and at least indication of the October trend—the October banking month began yesterday—before it considers taking the MLR plunge.

Delta Metal

A yield prop

At the interim stage Delta Metal's results exemplify many of the difficulties facing British industry, particularly engineering. An 11.9 per cent increase in profit before interest and taxation to £22.7m for example conceals a sales collapse in the second quarter, accompanied by lower margins and extensive destocking. It could have been worse, though: the dividend is maintained at 2.57p gross, though cover is reduced to 2.35 times against just over three times last year.

To some extent earnings per share, at 4.3p, against 5.5p, reflect the technical problem of "unreliable" ACT as profits fell, taxation rose by £1.9m to £6.85m. But the problem also lies with trading. Although sales were up by 10.3 per cent to £283m, the increase came from higher prices rather than volume, which fell by up to 15 per cent.

In common with so many companies, interest charges were another headache. Although borrowings are only a little above the £99.5m recorded at the end of 1979, charges rose by a considerable 44 per cent to £9.24m.

Another difficulty, peculiar to a company such as Delta, is swings in metal prices, mainly copper. The metal account, which is separate from the profit and loss, showed a loss of £2.57m (compared with a gain of £4.24m in the first half of last year). But the company's year-end of £34.3m at the year end has not much changed.

But perhaps the gloomiest point is that a straight comparison with last year hides the full extent of the downturn because 1979's first half was marred by the approximately £5m in profits lost through strikes.

Nevertheless, Delta hopes that the second quarter's collapse in demand has steadied, or at least slowed. But it seems unlikely that second-half pre-tax profits will match the £15.4m made last time round.

If the dividend is maintained, the prospective yield is around 14.3 per cent, and that will be a good prop for the shares at around this level.

Since the ballyhoo which greeted his controversial appointment, Mr Ian MacGregor, the chairman of the British Steel Corporation, has adopted a public profile so low that he has been almost invisible.

That he should have adopted this posture, such contrast to the approach of his two immediate predecessors—is not altogether surprising given the scale of the task which he faces in his three-year term as chairman.

He must pull the bankrupt corporation round and staunch the cash haemorrhage which British Steel represents to the taxpayer.

Yesterday's announcement of the reorganization of the corporation's mainline iron and steel business—bringing de-centralization and the establishment of product-based profit centres—is the first fruit of the MacGregor regime and clearly owes much to McKinsey, the international management consultants retained by the BSC chairman to advise him.

Two new operating groups have been established—“general steels” and “strip products”. They will lead the attack on markets which have been lost or which are being steadily eroded.

The new organization will provide a considerable degree of autonomy and reduce the level of head office interference.

So, the first manifestation of the MacGregor regime has appeared, but the problems which confronted him when he took over the job at the beginning of July have increased rather than diminished.

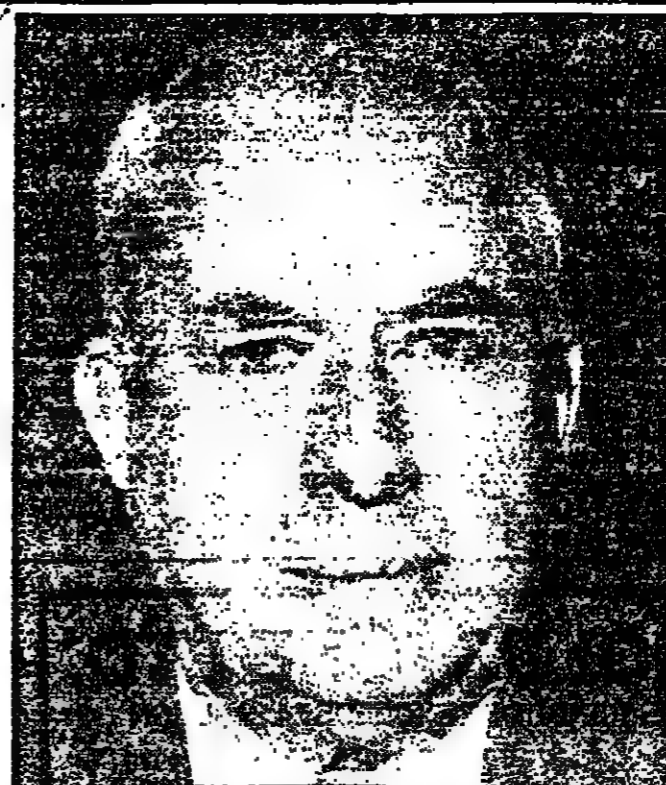
It is against this sombre and sobering background that the two new groups have to establish themselves and play their part in the forthcoming discussions between the Government and the BSC over the future funding and direction of the corporation.

The problems are enormous. The European steel industry is in turmoil split by bitter disagreements between the steel-makers over the most effective way of maintaining the fragile mechanism of the EEC's Davignon restructuring package.

So disgruntled and disenchanted are the West Germans that they no longer

Mr MacGregor puts his stamp on British Steel

Peter Hill looks at the first steps by the BSC's new chairman (right) to revitalize the troubled industry



appear at meetings of Europe, the European steel-makers and together with the Italians they are refusing to have any truck with the commission's request for a 13 per cent cut in production in the final three months of this year. The commission is now threatening to invoke the European Coal and Steel Community sanctions in a bid to persuade the reluctant steelmen to toe the line.

The European dimension looms large in the minds of Mr MacGregor and his boardroom colleagues. The three-month steel strike provided a golden opportunity for the European steel-makers to off-load onto the United Kingdom market a sizeable slice of the surplus steel which they had produced.

Indeed, Britain has become the dumping ground for much surplus steel—now “wishing around Europe and frozen out of the United States market by the abolition of the trigger

price mechanism which followed the anti-dumping suit brought against Japanese and European producers by the United States Steel Corporation.

Imports are still flooding into the United Kingdom market and customer price competition is rampant. The corporation is itself being forced to move in with its own discounts and rebates in a desperate attempt to hold on to business.

Private sector steel-makers have the same problems and both they and British Steel are faced with an increasingly acute shortage of orders from the public and the private sectors alike. Although the order inflow is substantially below that level equivalent to a 30 per cent drop on the corresponding period last year, combined crude steel production this year will be lucky to reach 12 million tonnes.

For British Steel this represents an awesome prospect and

company. Across the BSC more than 50,000 workers are now on short-time working.

Steel industry experts calculate that it will be at least two years before steel consumption returns to even the moderate levels prevailing at the end of last year. This year consumption could be down by 5 per cent worldwide on 1979 levels. In the United Kingdom the present recession across industry and the lack of orders will have a dramatic impact on steel production.

Last month United Kingdom crude steel production from the public and the private sectors fell to a mere 245,000 tonnes a week (although the order inflow is substantially below that level equivalent to a 30 per cent drop on the corresponding period last year). Combined crude steel production this year will be lucky to reach 12 million tonnes.

For British Steel this represents an awesome prospect and

it is no less worrying for the Government. In the next few weeks the Cabinet will be faced with deciding how much additional cash it is prepared to commit to the corporation. It has already accepted that its total subsidy this year might well exceed £850m.

In view of the continued deterioration of business, the prognosis made four months ago of a £400m overspend—look optimistic. Ministers therefore look like having to make fundamental decisions on the size of steel industry they believe that Britain should retain in the long term.

Yesterday's organizational changes coupled with the keenly priced terms agreed with the National Coal Board for home produced coal are tentative evidence that the chairman is committed to reducing the heavy overhead burdens on the corporation. A similar deal is being sought with the Electricity Council in an attempt to reduce electricity tariffs which BSC and other steel-makers consider to be disproportionately high compared with their competitors in Europe.

The MacGregor style of management is characterized by calm and considered steps towards the realization of objectives and there is no doubt from the BSC that this time round everything should be concentrated around some grand plan which becomes an inflexible strategy.

In the short term the commercial options which could be implemented are stark and unappealing to an Government—there have been reports for example that the corporation might have to give a further 60,000 jobs, but there are important longer term social and strategic issues which have to be taken into account.

When he took over the unenviable chairmanship of BSC, Mr MacGregor underlined the need to reduce costs, improve efficiency and become competitive. As he stresses in a message to union leaders when he met them last month some further “compacting” of the business will be required. The scale and rate of further retrenchment however will be influenced not only by British Steel but by the market and by the Government.

Technology

The quickening pace of change

The Labour Party this week added a few thousand votes to the long-running debate on what is called the microelectronics revolution in its discussion paper on the subject. But before the microelectronics revolution begins, the power of the microprocessor must be translated into products for the marketplace.

The micro products with which we are familiar are, in a sense, the easy ones—the electronic calculator, watch, computer and games. Over the next decade microelectronics will become a basic part of many more products and of the production processes which will make these products and many others.

Not much has been said about the far-reaching changes in production methods, management and technology. Microelectronics advances are but one aspect of the technological change that lies ahead; and technological change as a whole is only a part of the challenge that faces those concerned with production engineering.

An ambitious attempt to look ahead and identify the materials and structures, computing, manufacturing methods and management systems.

Scientific advances leading to new processes will include genetic manipulation to produce

wide-ranging report includes a detailed assessment of the innovations in production engineering which may be expected soon.

Change and innovation have been a part of engineering for the past 200 years. But the pace of change has accelerated—not only in high technology but for the mainstream areas of engineering. “What was good business a few years ago has been converted into a struggle against low-wage labour or better capital equipment making that product in the Third World or, more particularly, in Japan,” the report notes.

One measure of the dramatic speeding-up of the innovation process is the period of time taken from invention to production. For photography, this period was more than 100 years; for the telephone more than 50 years; for radio, 35 years; for radar, 35 years; for television, 12 years; and the transistor, five years.

Against this historical background, the report predicts new areas of innovation over the next two decades—in science, materials and structures, computing, manufacturing methods and management systems.

Scientific advances leading to new processes will include genetic manipulation to produce

enzymes and to convert petroleum oils, for example, into food products. Insulin, interferon and various pharmaceuticals may be produced. Energy and plastics from biomass produced from rapidly growing vegetation is another example of a completely new manufacturing process.

Control processes, the use of “non contact” methods of measurement—based, for example, on ultrasonics, lasers and capacitance—will increase. And strong magnetic fields will be used in farious casting to improve the metallurgical structure.

In materials and structures, polymers and other materials will be used increasingly in novel ways. The use of carbon-fibre-reinforced plastics, already present in aircraft structures, will be extended to boats, cars and buses (saving weight and fuel and reducing fatigue and corrosion).

As the pace of change quickens, plastics will increasingly take over in traditionally wooden structures. Where metals are used there will be more casting, sintering and hydraulic forming. Fabrications will be joined together and the use of rivets and bolts may diminish by about 25 per cent. Machine-tool frames will be made from composite materials.

In computing, the report predicts the capacity of computer memories will rise a hundredfold and magnetic bubble memories will challenge the flexible magnetic discs

which are already superseding magnetic tapes (which themselves have been displaced by punched paper tape).

Among expected changes in manufacturing methods, robots will soon take over “hot, heavy and dangerous work”; electro-spark erosion will complement traditional metal cutting techniques; particularly for making dies and punches; and bearings, incorporating fine diamond dust in nickel plating will improve the life of shafts by reducing friction and wear.

Improved management systems will accompany the spread of microcomputers. Appropriate computer programming languages will be developed; and the techniques of value analysis, “decision trees”, operational research, ergonomics, programmed learning and “lowest acceptable standards” will be stimulated.

But what is technologically possible is not always implemented—there are barriers to successful innovation. The most severe is fear of the financial risks involved. As a result many large organisations which could innovate prefer to proceed by an evolutionary pathway.

“Unless it is particularly inspired,” the report says, “this usually does not make a major breakthrough either to the market or to improved profitability—merely a plateau of perhaps maintained sales of a product which would have deteriorated in the market.” Other barriers include lack of available finance; discounted

cash flow calculations, which “are not ideal in situations of both high risk and steep inflation”; and accountants’ experience that designers are likely to be over-optimistic about the benefits and costs of success. And, the report argues, “the best is the enemy of the good”: technical staff should be held strictly to the budgets laid down.

Among the recommendations in the report industry is urged to study the likely mismatches for the introduction of such developments as computer-aided design and manufacture, robotics and group technology. Government is urged to consider establishing strategic stocks of materials; and to continue to aim at the conservation of materials and of energy in the interests both of industrial efficiency and of long-term survival.

The overall message of the Institution's report is that the breed and better aspects of improving production technology and management will be just as vital as the plamorous end-products of the microelectronics age.

* *Microelectronics*: published by the Labour Party, London; 80p.

* *Current and future trends of manufacturing management and technology in the UK*: published by the Institution of Production Engineers, London; £12 (members), £16 (non-members).

Kenneth Owen

Business Diary: Whose hand on BA's controls?

have something. The chairman, is due to retire, but, too, is with Wilkinson.

g some one do responsible ministry John Not, Airways, chief, Watts.

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Wallchart

I'M ABOUT TO PREVIEW A FILM WHICH ACCORDING TO OUR TRAINING OFFICER...

ILLUSTRATES THE OPTIONS OPEN TO BUSINESSMEN IN THESE DIFFICULT TIMES

CATCH 22

West German industry does not make a habit of washing its dirty linen in public.

But the country's steel-makers are at present going out of their way to publicize the squabble that has broken out between one of their number—the Duisburg-based Klockner-Werke AG—and the rest of the big producers.

The West German iron and steel industry federation has just issued a coy note saying that it is no longer able to issue its usual monthly figures for rolled steel in hand deliveries and orders in hand because Klockner is refusing to give it the necessary figures.

Klockner-Werke has been agitating since early summer for a bigger share of production under the EEC's anti-crisis plan, arguing that it has been unfairly penalized because its production figures for 1974, which was before its new large plant in Bremen came on stream.

Through its action, Klockner-Werke is bound to be suspected of taking the law into its own hands.

As far as proposed European legislation on trade marks goes, it falls to one woman, a part-time secondary school teacher from Kent called Mrs Ann Thomas, to represent the interests of more than 250 million European consumers.

Mrs Thomas, a mother of two, who receives nothing beyond travel expenses for her work in Brussels, recently found herself alone among 220 highly paid and highly qualified representatives of business interests.

A certain irony attaches to the tale. It appears that when the British Government originally approached her to join the standing advisory committee on trade marks, they did so on the mistaken assumption that she was connected with the National Consumer Council, the quango set up to represent consumer interests in 1975.

In fact, Mrs Thomas's connections were with a much less formal, and wholly unofficial, group styling itself the National Consumer Group. A Council pressure group.

What is happening in the dried herbs market? The Lendax, Essex, branch of Sainsbury's has been offering the company's "own label" dried rosemary at 17p, 19p, 21p, or 23p a rub, all of the same size and origin, but stamped with different packing dates.

Other herbs were available at similarly various prices—marjoram, sage and parsley at 19p, 21p and 23p, according to which pack one happened to pick, and dried chives at 28p or 32p.

Lendax do seem to have got a bit confused about the order in which they have put their stocks on the shelves. Sainsbury's headquarters said: "But there have been price increases in July and February, and last October, all within the one year shelf-life we usually allow for dried herbs."

Tasty tip: buy now, before others scent the trend.

Bangkok is the latest capital to have a special shop selling products from Marks and Spencer. The opening received an unusual royal accolade when Princess Soamsawali, wife of Crown Prince Vajiralongkorn, attended a charity fashion show of dresses.

According to David Fenton, of Marks and Spencer's export division, it was the first time that foreign royalty had honoured the British store group in this way.

Fenton said the company had not put capital into the new St Michael centre, in the busiest shopping quarter of Bangkok, but he and Martin Mendoza, senior export executive, came to Bangkok to ensure that St Michael (Thailand) was doing things in proper M and S style.

We are now in 40 countries with our products," Fenton said, "but we don't sell to anyone. We keep a close watch on all the outlets."

Fenton expects St Michael underwear to be the biggest seller in Bangkok, as well as all larger-sized garments. In Bangkok men and women with "more mature" features find it difficult to get clothes that fit. Apparently, manufacturers believe that all Thais are small and slim.

If, like me, you are alternately mystified and appalled by the names that pop groups give themselves, you might be soothed by a sign outside the Lyceum Ballroom, London. The facade of the building boasts an extremely large, blank space, beneath which is the legend "And His Shoutband".

Ross Davies

Tricorp Oil & Gas N.V.

US \$20,000,000

5 1/2 per cent Convertible Subordinated Debentures due 1995

Convertible into Common Stock of and Guaranteed on a Subordinated Basis as to Payment of Principal, Premium (if any) and Interest by

Triton Oil & Gas Corp.

The issue price of the Debentures is 100 per cent of their principal amount

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The Debentures constituting the above have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary global Debenture.

Particulars of the Issuer, the Guarantor and the Debentures are available in the statistical services of Exel Statistical Services Limited and may be obtained during business hours up to and including 10th October 1980 from the brokers to the issue:

Rowe & Pitman

City Gate House, 38-45 Finsbury Square, London EC2A 1JA

19th September 1980

FINANCIAL NEWS

UDS falls by £8m in 'miserable' six months

By Richard Allen

More evidence of the dismal conditions in Britain's High Streets has come from UDS Group, the department store and multiple shops chain.

In the six months to August 2, the group has seen its profits slashed from over £10m to little more than £2m pre-tax.

Mr Bernard Lyons, the group's chairman, said last night: "It has been a miserable six months". But he added that the interim outcome was "not at all indicative" of the group's present strength and prospects.

Although the outcome was worse than the market had feared, the shares added 2p to 68p on news that the interim dividend was to be maintained.

At last year's level of 3.7p gross, with fashion clothing bearing the brunt of cutbacks in consumer spending, the group's mens and womenswear divisions fared worst. The menswear business ran into trading losses and Richard Lyons managed only to break even.

According to Mr Lyons, these two divisions alone accounted for £3m of the downturn in profits.

A further £3m of the setback was attributed to the John Myers mail order division which is to be taken over by Great Universal Stores under a deal arranged last month.

Sales of the department stores were described as "unaffected" throughout, with William Whiteley's particularly

affected by a drop in demand. Aiders of Chatham in its first full year of trading is not yet profitable, while the remaining stores all turned in lower profits.

In money terms, group sales rose £11m to just over £206m, but Mr Lyons estimated that this figure masked a volume drop of around 5 per cent. He said that since the interim sales have been running at around 11 per cent above last year's level, but gave a warning that the full year figures will not reach last year's total of £241m.

"We can't be optimistic in these conditions", he said, "but are confident of making good progress as general conditions improve".

Stock markets

Confident start reversed by GKN results

Trading news from GKN, the country's biggest engineering company, pulled the rug from under the stockmarket's confident early gains.

Encouraged by the Bank of England's latest bulletin which forecast lower inflation, bond gilts and equities opened strongly and leading shares added several pence during a busy morning's trade.

The full money supply figures were much in line with market expectations and gilts were soon showing gains of a point or more at the long end.

News of a settlement to the dock strike sent further encouragement to the market and with the FT Index showing a rise of 6.6 points at 1 o'clock, dealers left for lunch in cheerful mood.

By 2 o'clock the index had crept higher and dealers were confidently predicting that the market would move further ahead during the afternoon.

However, GKN's interim soon changed all that. Profits were much in line with market expectations but the reduced dividend and warnings of worse to come were not. GKN ended the day 30p lower at 199p and other engineers eased in sympathy.

Lucas fell 7p to 505p and Vickers 3p to 132p. Hawker, up 8p at one stage, closed unchanged at 225p and Simons Engineering, 2p better on a £35m Portuguese order, closed 2p easier at 284p.

Other leading equities managed to hold on to some of the earlier gains with ICI closing up 2p at 356p, Glaxo up 4p at 258p and Unilever up 8p at 508p. But the FT Index closed 3.1 down on the day at 497.7.

Profit taking in gilts after the firm start crimped back initial gains. Shortdated gilts were 1/2 better at one stage, finally closing with gains of an 1/2. Longs ended 1/2 to 1/2 off the top but still 1/2 to 1/2 better on the day.

Reports from Malaysia that local interest may soon bid for Dunlop cut no ice and the shares closed 1p lower at 82p.

Distillers was on offer again following the chairman's warning at the annual meeting, and the shares tumbled 8p to 272p, while Magnet & Southern fell 8p to 370p, also on the chairman's comments about the future.

Insurance were a good market during the morning but closed off the best as buying interest evaporated throughout the market following the GKN figures. Interest centred again on brokers, where Willis Faber, up 6p to 266p, announced better than expected results.

Minet Holdings rose 3p to 266p and Hogg Robinson firmed up to 141p. Elsewhere, Eagle Star at 268p, Commercial Union at 180p and Sun Alliance at 802p closed 2p to 3p better.

Delta Metal rose 3p to 58p on better than expected results, and Brierley firmed up 2p to 55p after trading news.

In stores, UDS rose 2p to 68p on results, but Kitchen Queen tumbled 4p to 5p after further large provisions against losses.

GUS was a firm market but closed off the best at 473p, up 3p. Marks & Spencer added 1p to 107p.

High hopes for its bullion interests and renewed bid rumours sent Johnson Matthey up 16p to 272p, but mines closed mixed after the frantic activity of the previous day.

Although tanks were unchanged at 353p yesterday, they rose 18p the day before. Could Beers be interested in tanks' stake in the promising Western Australian diamond fields? So far Beers, very unusually, has no slice of the action.

Profit-taking trimmed 13p RTZ to 475p but Cons Gold was in demand again rising 7p to 613p. Among gold mines, Deerefontein rose 1/2 to 111p and W. Driefontein rose 1/2 to 147p. But Kinross rose 2p to 828p and Free State 1/2 to 253p.

Electricals closed below best levels but dealers reported a firm undertone with the loose holders shaken out by the recent reaction. GEC hit 540p before closing 5p up at 535p and Ferranti firmed 2p to 464p. BICC was a feature with a 6p rise to 153p and ICL firmed 1p to 185p. Second liners generally closed with gains of a penny or two, although George B. Scholes was in demand on further consideration of the recent figures and closed 19p higher at 246p.

Results from Kowloon Mackintosh in foods were much as expected and the shares closed 2p easier at 176p. But Dalgety, up 3p to 297p, was good market following recent figures. Tate & Lyle rose 6p to 168p on the buoyant sugar price.

Home loans added a few pence, reacting to the Bank of England's Monetary Commission report on credit cards. Barclays closed 5p up at 438p and Nat West at 400p. Lloyds firmed 2p to 338p.

In properties, Marler Estates slipped 3p to 105p on news of a bid approach, and City firmed 2 1/2p to 70p on results. Elsewhere rose 5p to 253p, Britis 1p to 36p and Land Sea 2p to 392p.

Steelers eased 7p after figures, but the market was better to 72p after news.

Fentons rose 4p to investment buying and developments was in rising 5p to 78p.

Oils opened in a glory on the back of institutional buying. Leaders but activity during the afternoon as closed well off the top, still showing reasonable still showing reasonable.

BP was up 8p to 3 1/2p. Shell up 6p to 416p. I rose 12p to 380p and T 2p to 344p, but Burnham early 4p gain to close 2 at 192p. KCA International firmed 3p to 33p.

However, apart from Enquest, which slipped 36p on adverse second-line oils attract interest.

Equity turnover for the day was £20.54m, a fall from £26.54m of bargains 16,900. T active stocks yesterday, 10 to Exchange. It were Johnson Matthe Gold, RTZ, GUS, A, Group, BP, Burnham, B, Art Developments, GEI, Thorn EMI, KCA Intern Shell and Blue Circle.

Traded options had quiet day with only 1,214 contracts, compared with 1,214 the previous day. The interest was in October 550's and the series and Cons Gold fairly active. Traditions activity was still in the five active resources such as Target, Petrole, Magnet Metals where c were running at about 100p. Calls were also Tebbitt Group, Burn Hamroyd and N. A. per share in Targs and a double in Targs.

Stroud, Riley: Mr Harvey Ross, the Leeds coin dealer who said he was going to buy up to 25p per cent in the Bradford textile group, Stroud, Riley, Drummond, yesterday sold his 18.6 per cent stake. This represented 635,938 shares.

Mr Ross, of Harvey Michael's, investments, is to form two new companies, Ross Oil and Ross Oil and Resources, to provide finance for natural resources companies.

G.T. James Investment Trust: Tax profits, £452,000 (£275,000). Total dividend, 5.7p (10.12p) gross.

Garton Engineering: Turnover for half-year to June 30, £5.7m (£5.5m). Pre-tax profits, £341,000 (£340,000). Interim dividend, 4.5p (£4.5p). There seems little likelihood of a recovery in demand in the short term.

Thomas Marshall (Lodges): Sales for first half of 1980, £9.36m (£9.36m). Pre-tax profits, £225,000 (£225,000). Interim dividend, unchanged at 1.71p gross.

John Bright Group: James Sharpe and Co on behalf of clients Largs Ltd, are prepared to bid through the market 51p for John Bright Group 51 per cent on £1 preference shares. The bid is subject to normal market conditions. Agreement to purchase has been reached with a number of institutional holders of stock. Offer to remain open until October 28.

Corinthian Holdings: Interim dividend to June 30, £3.49m (£3.49m). Pre-tax profits, £272,000 (£272,000). James Wilkes: Turnover year to June 30, £16.06m (£16.06m). Pre-tax profits, £1,164,000 (£1,164,000). Eps 5.5p (4.5p). Interim dividend, 2.14p gross. Figures are profit from Dawley & Co.

Charles Early & Co (Worcester): Total turn half-year to Aug 1 edge from £3.32m to £3.99m (£3.99m). Pre-tax profits, £225,000 (£225,000). Interim dividend, £173,000 last time. Interim dividend, unchanged.

Corinthian Holdings: Interim dividend to June 30, £3.49m (£3.49m). Pre-tax profits, £272,000 (£272,000). James Wilkes: Turnover year to June 30, £16.06m (£16.06m). Pre-tax profits, £1,164,000 (£1,164,000). Eps 5.5p (4.5p). Interim dividend, 2.14p gross. Figures are profit from Dawley & Co.

Although prospects for the second half are not encouraging, we are maintaining the interim dividend at last year's 1.5p net per share.

Interim Unaudited Profit Statement for the Six Months to 29 June 1980.

| | 6 Mths to 29 June 1980 | 6 Mths to 1 July 1979 |
|---|------------------------|-----------------------|
| External Sales | 138,679 | 127,553 |
| Trading Profit | 6,828 | 8,733 |
| Associated Companies and Investments | 281 | 335 |
| Net Interest Payable | 6,807 | 9,068 |
| Profit before Taxation | 3,032 | 1,436 |
| UK Taxation | 56 | 1,184 |
| Overseas Taxation | 817 | 1,058 |
| Profit after Taxation | 2,902 | 5,390 |
| Minority Interests and Preference Dividends | 38 | 33 |
| Unrealised Exchange Losses | 2,864 | 5,357 |
| Extraordinary Item | 206 | 28 |
| Net Profit after Taxation and Extraordinary Item available to Ordinary Shareholders | 2,658 | 5,329 |
| Amount absorbed by Ordinary Dividends | 1,584 | 1,580 |
| Profit Retained | 1,074 | 3,749 |
| Earnings per Share of 10p Basic | 2.71p | 5.10p |
| Fully Diluted | 2.47p | 4.80p |
| Ordinary Dividends - pence per share (net) | | 1.5p |
| Interim 1979 | | |
| Final 1979 | | |
| Announced 18 September 1980 | | |
| Interim 1980 | 1.5p | |

Note: The interim dividend for 1980 will be paid on 8 December 1980 to holders registered on 7 November 1980.

By order of the Board D. A. Streatfield Secretary

6 St. James's Square
London SW1A 1LD.
17 September 1980.

Accumulating ordinary shares

Holders of accumulating ordinary shares will receive on 2 January 1981 a further allotment of accumulating ordinary shares, credited as fully paid, on the basis of 0.01143 of a new share for every share held at the close of business on 28 November 1980. Fractions of less than one half of a share will be eliminated and rounded up to one whole share. In the case of accumulating ordinary shares, holders will also receive a dividend of 0.1p per share.

RTZ

Latest results

| Company | Sales £m | Profit £m | Earnings per share | Div. pence | Pay date | Year's total |
|----------------------|---------------|--------------|--------------------|-------------|----------|--------------|
| Asst & Int Trust (F) | 1.0 | 0.53 (0.4) | 4.42 (3.47) | 3.25 | 4/10 | 4.3 |
| Wm Baird (I) | 63.91 (58.3) | 3.48 (3.1) | — | 5.6 (5.25) | 6/1 | (7.0) |
| Booker MCL (I) | 349.3 (306.1) | 5.62 (10.89) | 1.8 (4.2) | 1.2 (1.2) | 3/12 | (3.12) |
| Boddington (I) | 1.38 (1.8) | 0.4 (0.5) | 3.4 (3.1) | 1.4 (1.1) | — | 2.59 |
| Brown Bov Kent (I) | 43.5 (40.7) | 0.54 (1.1) | 0.52 (3.79) | — | — | (2.2) |
| Corinthian (I) | 3.49 (3.16) | 0.27 (0.25) | 3.36 (3.1) | 0.75 (0.5) | 31/10 | (1.5) |
| Delta Metal (I) | 283 (257) | 13.4 (14) | 4.3 (3.6) | 1.82 (1.84) | 5/1 | (6.0) |
| Chas Early (I) | 3.39 (3.32) | 0.84 (0.7) | — | 2.6 (2.6) | 28/11 | (4.0) |
| GKN (I) | 1,070 (1,000) | 22.4 (33.5) | — | 4.5 (3.3) | — | (49.39) |
| G. T. Japan Inv (F) | — | 0.45 (0.73) | 4.84 (7.12) | 3.15 (3.15) | 1/12 | (6.55) |
| Carton (I) | 6.0 (5.8) | 0.34 (0.3) | — | 2.1 (2.1) | — | (5.2) |
| Heath (I) | 29.1 (26.7) | 0.45 (0.05) | 2.5 (0.3) | — | — | (5.5) |
| L. & P. Trust (I) | — | 0.1 (0.1) | — | 2.1 (2.1) | 28/11 | (5.2) |
| L. & P. Trust (I) | — | 0.1 (0.1) | — | 2.1 (2.1) | 28/11 | (5.5) |
| Marshall (Lay) (I) | 24.2 (20.1) | 0.45 (0.5) | 3.6 (3.9) | 1.2 (1.2) | 1/11 | (6.09) |
| Newbury Group (I) | 7.38 (7.5) | 0.06 (0.04) | — | 1.3 (1.3) | — | (3.5) |
| H. Perry (I) | 64.3 (63.7) | 2.12 (3.15) | 6.1 (10.5) | 1.3 (1.3) | 5/12 | (3.5) |
| Rowlands (I) | 26.4 (24.8) | 0.4 (0.3) | — | 0.4 (0.4) | 5/12 | (1.63) |
| Sec City Props (I) | 16.5 (19.2) | 1.2 (1.05) | 7.28 (7.48) | 1.59 (1.45) | 8/11 | 2.21 (2.92) |
| Steeley (I) | 178.3 (153.4) | 8.98 (9.8) | 10.15 (15.41) | 4.0 (4.0) | 10/10 | 10.5 (7.3) |
| UDS (I) | 206.5 (191.5) | 0.6 (0.6) | — | 1.5 (1.5) | — | (4.12) |
| James Wilkes (I) | 6.05 (5.15) | 0.23 (0.16) | — | — | — | (4.12) |

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown before tax and earnings are net of directors' share split and scrip issue; * = loss; * = figures for both years are gross revenue; \$ = adjusted for scrip issue.

The Rio Tinto-Zinc Corporation Limited

Report for the half-year ended 30 June 1980

The Directors of The Rio Tinto-Zinc Corporation Limited announce that the unaudited net profit attributable to RTZ shareholders before extraordinary items for the first six months of 1980 was £98.7 million (1979 £95.5 million), an increase of £3.2 million (1.1p per ordinary share) over net profit for the corresponding period of 1979. The main areas contributing to the improvement in net attributable profit were the Group's copper operations, and Hamersley Iron and Roseng Uranium. The Group subsidiaries in Zimbabwe, which were not consolidated in 1979, made a small contribution to net attributable profit for the first half of 1980.

Rights Issue of Convertible Unsecured Loan Stock

The Directors have announced separately their intention to issue at par £125 million of 3 1/2 per cent convertible unsecured loan stock 1986/1990 by way of a rights offer to holders of RTZ ordinary and accumulating ordinary shares in the proportion of £1 nominal of convertible stock for every 2 shares held. Documents relating to the issue will be mailed to shareholders on 23 September 1980.

Summary

Sales revenue in the first six months of 1980 amounted to £1,453.0 million, an increase of approximately 24 per cent over the comparable period in 1979. The exchange rates for the pound sterling used to translate the sales of overseas subsidiaries were higher in most instances than a year ago and this restricted the extent of the improvement by around 4 per cent. The increase in sales was mainly due to general higher average metal prices, particularly for copper and precious metals, although LME prices for lead were significantly lower than a year ago. Approximately one quarter of the increase in sales revenue was contributed by new subsidiaries and by subsidiaries which were not consolidated in the 1979 accounts. These included the companies acquired by CRA during the early part of 1980 and Group subsidiaries in Zimbabwe.

A major part of the improvement in metal prices occurred during the first three months of the year when market conditions were exceptionally buoyant. During February the LME price for copper reached a peak of £1.175 per tonne but by June it had fallen to £0.95 per tonne. The average copper price for the first half of 1980 was £1.02 per tonne compared with £0.96 per tonne for the same period in 1979. Gold prices, which averaged £355.94 per ounce for the period, were more than twice those for the first half of 1979 having reached a record high of £358.16 per ounce in January 1980.

Due principally to the good results achieved during the earlier part of the period, Group profit before tax amounted to £295.2 million for the first six months of 1980, an improvement of £95.9 million, or nearly 30 per cent, over the corresponding period of 1979.

After deducting tax and the amount attributable to outside shareholders, net profit attributable to RTZ shareholders for the first half of 1980 was £98.7 million (1979 £95.5 million), an increase of £3.2 million (1.1p per ordinary share) over net profit for the corresponding period in 1979. The improvement would have been approximately £3 million greater but for the higher value for the pound sterling at the half-year used to translate the results of the Group's overseas subsidiaries compared with the value a year ago.

Contribution to RTZ's net attributable earnings from its principal activities

Sales by the CRA group showed an increase of over 40 per cent compared with the first six months of 1979, part of which was due to the inclusion of subsidiaries newly acquired under the arrangements with BH South, North Broken Hill Holdings and Western Mining Corporation in the early part of 1980. Hamersley Iron's sales were also significantly higher than in 1979 when shipments were adversely affected by an industrial dispute.

The contribution to RTZ's net earnings from CRA was about 20 per cent higher than a year ago notwithstanding the decrease in RTZ's beneficial interest from 84.2 per cent in 1979 to 81.1 per cent in 1980. Within the CRA group, the main contributor to the improvement in net profit was Hamersley Iron which increased its sales by over 40 per cent compared with 1979. Selling prices were also higher. In Bougainville Copper the benefit of the higher prices for copper and gold was largely offset by lower ore grades which resulted in a significant drop in production. Costs were higher in 1980 due mainly to the increase in fuel costs and the

additional charge for depreciation following the revaluation of assets. Net profit was broadly the same as the first half of 1979. AMIS's net profit for the first half of 1980 was lower than in the same period in 1979. The exchange rates for the pound sterling used to translate the sales of overseas subsidiaries were higher in most instances than a year ago and this restricted the extent of the improvement by around 4 per cent. The increase in sales was mainly due to general higher average metal prices, particularly for copper and precious metals, although LME prices for lead were significantly lower than a year ago. Approximately one quarter of the increase in sales revenue was contributed by new subsidiaries and by subsidiaries which were not consolidated in the 1979 accounts. These included the companies acquired by CRA during the early part of 1980 and Group subsidiaries in Zimbabwe.

Rio Algom achieved increased sales and net profit compared with the first six months of 1979. Sales of uranium were higher, though the contribution to net profit was lower due to increased costs. Sales and net profit from steel and Alcoa Alloys were significantly above 1979 levels, the operations at Tracy having been adversely affected by a strike for the greater part of 1979. Lomax's copper and molybdenum operations achieved increased sales and profits, mainly due to higher metal prices.

Aluminium and the metal trading activities also increased their sales and net profits as a result of the buoyant market conditions for aluminium in the first quarter of the year. RTZ's share of Rio Tinto Mines's earnings showed a useful improvement over the first half of 1979 due mainly to higher prices for gold, silver and copper.

Outlook

Price levels for a number of the metals in which the RTZ Group is interested are currently below average prices realised in the first half of the year, the principal exception being gold. In the climate of the present world economic recession, the prospect of any significant improvement in metal prices and margins on other products in the short term is not particularly encouraging. However, with its wide geographical spread and broad range of activities and products, the Group is well placed to take advantage of improvements in world trading conditions.

Anti-trust proceedings

A private civil anti-trust action in relation to uranium marketing was brought in 1976 in the United States by Westinghouse Electric Corporation ("Westinghouse") against twenty-nine companies (including RTZ and six other Group companies) and three similar actions were brought in 1977 by the Tennessee Valley Authority ("TVA") against a total of thirteen companies (including RTZ and three other Group companies). It is expected that very heavy damages will be asserted in these actions, which are likely to continue for some time. Rio Tinto-Zinc Corporation of America (a US subsidiary of RTZ Borax Limited) was named in the Westinghouse action but has since been dismissed from those proceedings. Rio Algom Corporation (a US subsidiary of Rio Algom Limited) is an appearing defendant in both actions. RTZ and other Group companies concerned are likely to continue to defend the actions. RTZ's actions on grounds that the US courts do not have jurisdiction over them. In Canada Rio Algom has brought two actions, one against TVA claiming damages of Can\$600 million and one against both Westinghouse and TVA claiming damages of Can\$1,600 million.

In the Westinghouse action in the United States a default judgment on issues of liability was entered in January 1979 by a District Court against all the non-appearing defendants.

The increase in copper prices together with higher prices for precious metals enabled Palabora to increase its sales and net profit. Roseng Uranium's sales revenue and net profit were significantly above the levels of the first half of 1979. This was due largely to an increase in sales volume together with an improvement in contract selling prices. Costs, however, were slightly higher than a year ago.

RTZ Borax increased its sales revenue, the improvement achieved by all product lines in the borax operations being more than sufficient to offset the fall in sales from the UK chemical companies. Net profit was higher than for the first half of 1979 despite a lower profit from chemicals.

RTZ Industries' net profit in the first half of 1980 was as low as in the corresponding period in 1979 in spite of an increase in sales. This was mainly due to a decrease in profit in North America where operations were adversely affected by the recession which was particularly severe in the residential construction sector. Sales and net profit in the UK were higher than in 1979 notwithstanding the increasingly difficult market situation being faced by most subsidiaries and higher interest charges.

Higher oil prices, partly offset by lower production from the Anglo-French, enabled RTZ Oil and Gas to improve its sales and net profit compared with a year ago, and Anglesley

Printed copies of the report are available on request from the company's transfer office, 1 Redcliff Street, Bristol BS1 6NT.

Notes:

(1) The results of overseas operations have been translated from foreign currencies into sterling at the quoted rates of exchange ruling at the accounting dates.

(2) The amount shown for the 1980 interim ordinary dividend is calculated in relation to the ordinary shares currently in issue and no amount is included for any issues of accumulating ordinary shares allotted to holders of accumulating ordinary shares in lieu of dividend. If all accumulating ordinary shares are converted to ordinary shares, the cost of the 1980 dividend will be £12.9 million.

(3) The results of certain overseas subsidiaries have been adjusted for differences in accounting practices. The effect has been to increase RTZ's net attributable profit for the first half of 1980 by £2.0 million compared with the amount derived from the published results of the subsidiaries concerned. The corresponding adjustments for the first half of 1979 and the year 1979 were an increase of £1.5 million and a decrease of £0.3 million respectively.

(4) The first presentation of current cost information for the RTZ Group will be in the annual report and accounts for 1980.

Croda International Half year report

by Sir Frederick Wood, Chairman

First half results have been severely affected by high rates and energy costs, the strength of sterling depressed economic conditions in the home market. Pre-tax profits have been undermined by a loss of £1 Food Ingredients Group, mainly attributable to copper trading in Gelatin and animal by-products. Chemicals and Paints did well, exports have increased 12% over the comparable period in the previous year overseas profits are higher despite a setback in the Antik market.

Although prospects for the second half are not encouraging, we are maintaining the interim dividend at last year's 1.5p net per share.

Interim Unaudited Profit Statement for the Six Months to 29 June 1980.

| | 6 Mths to 29 June 1980 | 6 Mths to 1 July 1979 |
|--------------------------------------|------------------------|-----------------------|
| External Sales | 138,679 | 127,553 |
| Trading Profit | 6,828 | 8,733 |
| Associated Companies and Investments | 281 | 335 |
| Net Interest Payable | 6,807 | 9,068 |
| Profit before Taxation | 3,032 | 1,436 |
| UK Taxation | 56 | 1,184 |

FINANCIAL NEWS

Bankers give Kitchen Queen one year

Financial Staff
n Boveri-Kent, the industrial company which rolled by Brown Boveri, suffered a fall in 1979 to £336,000 in the year to June 29. Turnover fell from £40.7m to £33.5m.

The fine tax took a further £153,000, leaving a profit of £2.2m for the full year last time (£5.8m pre-tax). Operating surplus of £7.4 per cent of the year against 12.1 per cent. Interest charges £5m against £23,000.

Company points out that of the stronger pound, use competition in all the industrial markets and meters showed results not by different from last year's outside the Kingdom, recorded suits.

Valves produced a "down" in the process control were made but the order book should mean turnover for the full year is no interim

Interim profits halved at Croda

By Peter Wainwright
Croda International was hit hard on almost every front in the half year to June 29. Sales rose from £127.55m to £138.58m but pre-tax profits plunged from £7.6m to £3.77m.

Croda suffered from a steep rise in energy prices like most United Kingdom-based chemical makers. The steel strike and the recession also took their toll. But perhaps the real disappointment was the £1.7m loss in food ingredients, blamed

The deficit on net tangible assets is now £3.43m. Borrowings stand at £6.9m, but the bankers have granted facilities up to £7.5m.

Because of the fall in shareholders' funds, Kitchen Queen is in breach of its borrowing limits and will ask shareholders, on October 10, to agree to a £8.5m upper limit. If this is refused, the group may have to cease trading.

Trouble began when Kitchen Queen went into retailing its kitchen furniture last year, after it bought Knot Mill Holdings. This put it into competition with its clients. Recession was also in the offing. Orders fell, and group losses at the

February 23 interim stage were £293m.

The group may change its name to Moben, a kitchen furniture manufacturer bought late in 1979, which is now the backbone of the group. The old board has been replaced by Moben men, and company director Professor Roland Smith. They have concentrated all production into one factory, as of September 15.

The banks have laid down a minimum performance for next August's year-end. Mr Morris said yesterday that these requirements are "reasonable enough and possible enough to accede to" rather than ceasing trading altogether.

Home improvements, repairs and maintenance markets result in record profits

| Salient figures | Year to 31.3.80 £'000s | Year to 31.3.79 £'000s |
|---------------------------------|---------------------------|---------------------------|
| Turnover | 139,623 | 118,129 |
| Profit before taxation | 25,821 | 19,651 |
| Profit after taxation | 16,862 | 11,058 |
| Earnings per 25p ordinary share | 23.7p | 15.7p |
| Dividend per 25p share (net) | 7.5p | 5.737037p |

Magnet and Southern still on the move

Pre-tax profits for the year are again a record, and for the third consecutive year a capitalisation issue of one new ordinary share for every two held is proposed. Capital expenditure during the year totalled £8,700,000. Five new depots were opened and a further three since the year end with fourteen in the pipeline. Building work planned or under construction currently stands at £3,400,000.

Very shortly we will be launching a new range of high performance hardwood window frames. It is encouraging to note the increased emphasis on timber-frame housing, and steps have been taken for us to share in the expected increase in the consumption of timber and plywood.

S. Oxford, Chairman

Magnet Southern

FOR ALL THAT'S GOOD IN WOOD

stair recovery continuing

Using the recovery started in the year to July, profits of Hestair, a stair-based industrial, bounced back in the year to July 31.

Turnover up from £28.75m to £453,000. As for last year is no tax charge, after deducting extra-ordinary of £185,000, a 204,000 loss, year, there was a profit of £270,000, compared with a loss of £149,000.

David Bargeaves, the said the results showed a further modest recovery in the year, but the most difficult environment within the industry.

ng from the chief of the board is waiting year-end before determining dividend level. So no interim payment; 0. shareholdings did not interim, but a final gross was paid. Profits for the year were compared with the year's loss of

Post profits slump

Half-year results to June 25 at the Liverpool Daily Post, and Echo group showed a drop in pre-tax profits from £1.8m to £610,000 on a turnover which fell from £30m to £24.2m.

Profits after taxation were £412,000, compared with £1.2m for the six-month period, which saw the two-week strike by the NGA and a week of local industrial action. This knocked over £1m from pre-tax profits.

Nine months' sales up 13pc at Grand Met

The board of Grand Metropolitan reports that in the nine months to the end of June, the value of external sales of the group rose by about 13.3 per cent—excluding the Liggett Group—compared with the similar period last year. External sales include overseas sales

Magnet & Southern's sales ahead

In the first five months of its current year, sales of Magnet and Southern were 6 per cent up on the similar period last year. This was reported at yesterday's annual meeting by Mr S. Oxford, the chairman. The sales rise was due to increased values and, really reflected a downturn in volume. But the downturn had not been evenly spread and occurred least in the area of the most profitable sales—repairs, maintenance and improvement. Profits for the five months show a small decrease, but, judged against the recession, represent a very good performance, the chairman said.

Rights issue by Bank of Near East

The London-based Commercial Bank of the Near East is to make a rights issue of 200,000 new shares at £5 each on a one-for-one basis. Net proceeds are estimated at £977,000. The new shares will not rank for any dividend for 1980, but the board expects to maintain the present rate of dividend on the bigger capital.

Withwaite & Co. Engineers Limited

nd Constructional Engineers
Steel Tank Manufacturers
from the statement of Humphries (Chairman)
Increased Trading Profit of £976,627 despite the effects of three major strikes in the economic recession.
Further capital expenditure at Newport Works to facilities for structural steelwork, as and production at Plastic Recycling Ltd can doubled.
Dividend increased substantially to a total of 7p 18p for the year.

| | 1980 £ | 1979 £ |
|------------|------------|-------------|
| Turnover | £8,793,000 | £10,466,000 |
| Before Tax | 976,627 | 526,712 |
| After Tax | 482,627 | 291,212 |
| per share | 17.6p | 10.5p |
| Dividend | 7p | 4.87p |

The Secretary, Withwaite & Co. Engineers Limited, 10th Road, Great Bookham, Leatherhead, Surrey KT23 3JJ.

Associated Communications Corporation

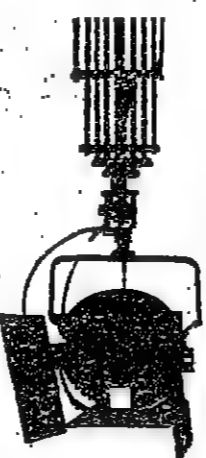


Lord Grade of Elstree, Chairman and Chief Executive, reports on the International Group

“The profit figure of £14,101,000 is the second highest in the 25-year history of the Company. Indeed, had it not been for a national industrial dispute which kept the whole of Independent Television off the air for eleven successive weeks, the profit would undoubtedly have exceeded the record of £16,308,000 which was achieved in 1978/79.”

Television

ATV's current contract for seven-day-a-week television runs until 31st December 1981. By the end of 1980 the Independent Broadcasting Authority will reach its decision on the award of new contracts which will run for eight years. For the period of these contracts the Midlands franchise area will be a dual region comprising the East and West Midlands and ATV has applied for the contract. A new company, ATV Midlands Limited, has already been set up and a second studio complex is planned for the East Midlands.

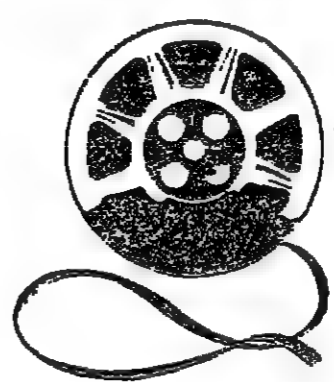


T.V. programmes

Initially a proportion of ATV productions will continue to be made at Elstree. Thereafter, Elstree will become available for additional television productions and for special programmes for export. A new company, Daybreak Television, in which ACC has a minority interest, has made an application for the proposed nationwide breakfast-time television franchise, and Elstree has been suggested as the ideal production centre.

Films

Our subsidiaries now embrace all three aspects of production, distribution and exhibition and the acquisition of Classic Cinemas place more than 140 screens at our disposal. The full-length 'Muppet Movie' has broken box office records and its much sought after successor is already in production. Altogether, the film division production schedule has never been stronger.



Theatres

The theatre division enjoyed a year of truly outstanding successes and its profit figure of £1.1 million stands at an all-time record. The year saw packed houses for Yul Brynner in 'The King and I' at the Palladium and 'Amie' at the Victoria Palace. The theatrical costumiers, Bermans & Nathans, established new overseas records and their work is to be seen in London's exciting new attraction - The Palladium Cellars.

Music

Our main music publishing subsidiary, ATV Music, rose to be the No. 2 company in UK music publishing, and profits and prospects are both excellent. Its subsidiary company, Brufo Music, is now firmly established as a prominent supplier for both television and films.

Records

In common with all other record companies, Pye Records had to face a world-wide recession within the industry. Special attention is now being paid to the important new development of video cassettes and video discs.

Property

The results of Bentrax Investments—up from £3.5 million to £4.2 million—are impressive and the acquisition of Intereurope Property Holdings has added a new portfolio, including the important Eros site at Piccadilly Circus.

Telephone answering

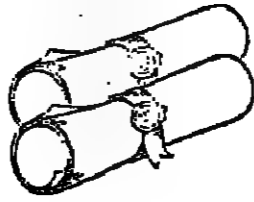
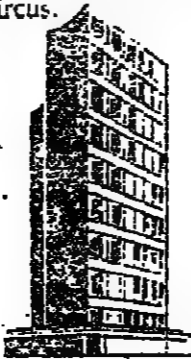
For the second year in succession the results of Ansafone have been outstandingly successful and in spite of competition at home and abroad the growth rate has been one of 40%.

Insurance

Two Bermudian companies were purchased by Marbach Insurance Company and a new company, Bryanston Insurance, has been established. Subsidiaries have been set up in Australia, Hong Kong and Gibraltar, and trading has been profitable throughout.

Jetsave

The Group acquired an 85% stake in Jetsave, a company which is both a pioneer and a leader in the rapidly growing field of trans-Atlantic holiday travel.



Copies of the full Report and Accounts for the year to 31st March 1980 are available from the Secretary, Associated Communications Corporation Limited, ACC House, 17 Great Cumberland Place, London W1A 1AG.

ommodities

Sugar prices look set for further rise

For the second day in succession, the authorities found no need to intervene in the discount market yesterday. With bank balances coming forward a moderate amount above target, no adverse factors of any consequence, and houses mostly running only very modest books, there should have been a sizable surplus of funds.

[illegible]

| | Bank of England Index | Morgan Guaranty Index | Charges | | |
|-----------------|-----------------------------|-----------------------------|---------|-------------|---------------|
| Sterling | 78.6 | -30.4 | | Ireland | 21020-21000 |
| U.S. dollar | 85.5 | -10.5 | | Canada | 1.0875-1.0851 |
| Gold | 100.0 | - | | France | 1.0875-1.0851 |
| Canadian dollar | 86.6 | -11.4 | | Belgium | 25.70-25.73 |
| Schilling | 100.7 | -54.9 | | Denmark | 5.5350-5.5410 |
| Swiss franc | 100.0 | - | | Sweden | 1.0875-1.0851 |
| Danish kroner | 100.7 | -54.9 | | Portugal | 50.75-50.85 |
| Spanish peseta | 100.0 | - | | Spain | 16.10-16.13 |
| Swiss franc | 100.7 | -54.9 | | Italy | 20.00-20.050 |
| Gold | 100.0 | - | | Germany | 4.0500-4.0500 |
| French franc | 100.0 | -6.1 | | Prance | 1.0810-1.0820 |
| Lira | 3.00 | -135.8 | | Japan | 1.0875-1.0851 |
| Yen | 135.8 | -31.5 | | Australia | 21.00-21.03 |
| | | | | Switzerland | 1.0875-1.0851 |

| | ECU central rate | currency against central | % change from change adjusted ^a | % change from plus/minus | divergence limit ^b |
|----------------|------------------------|--------------------------------|--|--------------------------------|----------------------------------|
| Belgian franc | 39.7897 | 40.5618 | +2.04 | +0.70 | 1.37 |
| Danish krona | 1.7326 | 1.7209 | -0.71 | -0.03 | 1.64 |
| Deutsche mark | 2.4968 | 2.5036 | +0.27 | +0.07 | 1.42 |
| French franc | 3.4740 | 3.5813 | +0.55 | -0.46 | 1.357 |
| Italian lira | 7.4362 | 7.5358 | +0.50 | -0.94 | 1.502 |
| Irish punt | 6.8667 | 6.9109 | +0.62 | +0.32 | 1.602 |
| Spanish peseta | 115.79 | 120.19 | +3.75 | -2.61 | 4.05 |

^a % changes are for the ECU therefore positive change denotes weak currency.

^b Adjusted for sterling's weight in the ECU, and for the lira's wider divergence limit.

All adjustments calculated by The Times.

(5-) coins, 9-10; seven days.
10-11; one month, 11-12;
three months, 12-13; six
months, 13-14.

The dollar heightened all round on foreign exchanges yesterday as the cur in West Germany's Lombard rate fell 9 per cent to 5 per cent took dealers by surprise.

This, plus slightly higher Euro-dollar rates, enabled the dollar to score even over sterling, where sentiment was much improved by

the agreement on the peace formula at the docks, and where there was a further modest boost to be gained from an unchanged MLE.

The pound closed three-quarters of a cent down against the dollar, the rate slipping from 2.9525 to 2.9475. But sterling's overall value against the basket of currencies improved from 75.5 to 75.9.

| | | |
|------------|---------------------|---------|
| 18 1-month | 1.00-0.90c prem | 3-month |
| 33-1 | 1.40-1.30c prem | 2 02-1 |
| 79- | 2-15c prem | 1.05-2 |
| | 21-17c prem | 54-46c |
| ak-10 | 175-320c disc | 53-43c |
| | 18-10c prem | 98-11c |
| up | 24-24c prem | 39-37p |
| | 12c prem, 35c disc | 14-6c |
| | 105-160c disc | 5c prem |
| | 9-13 1/2c prem | 415-47 |
| | 355-2100c prem | 349-35 |
| | 4-34c prem | 745-600 |
| | 150c prem-550c disc | 84-76c |
| | 160-105c prem | 335-41 |
| | 11-gro prem | 430-40c |
| | 34-34c prem | 25-21g |
| | | 10-9c p |

| | |
|---------|-----------------|
| land | 2.1020-2.1090 |
| land | 2.1678-2.1681 |
| berland | 1.9457-1.9467 |
| lands | 25.70-25.73 |
| mark | 5.5390-5.5410 |
| Germany | 1.7908-1.7918 |
| ugal | 49.78-49.86 |
| n | 73.58-73.63 |
| | 850.20-850.50 |
| way | 4.2540-4.2550 |
| ut | 1.4104-1.4109 |
| gen | 4.1578-4.1580 |
| ut | 212.90-213.05 |
| | 12.6500-12.6506 |
| erland | 1.6400-1.6415 |

| Age | % change netral adjusted* | divergence last 5 plus minus |
|-----|------------------------------|------------------------------------|
| 4 | +0.70 | 1.33 |
| 5 | +0.03 | 1.64 |
| 6 | +0.65 | 1.25 |
| 7 | -0.66 | 1.33 |
| 8 | -0.94 | 1.51 |
| 9 | -0.92 | 1.66 |
| 10 | -2.61 | 4.08 |

*negative change denotes weak
 ICU, and for the 10's wider

d fixed: am, \$674.00; an ounce:
\$672.00 close, \$671.50.
sterand (per colt): \$690-692
9-231).
ereigns (new): \$170-171, \$71.35-
01).

| | |
|--------------|---------------|
| Australia | 2.03-2.065 |
| Bahrain | 0.9025-0.9635 |
| Finland | 2.6820-2.7220 |
| Greece | 100.65-102.65 |
| Hongkong | 1.574-1.654 |
| Iran | not available |
| Kuwait | 0.6365-0.6265 |
| Malaysia | 5.0365-5.0675 |
| Mexico | 24.25-25.75 |
| New Zealand | 2.425-2.475 |
| Saudi Arabia | 7.9550-7.9550 |
| Singapore | 5.0175-5.0475 |
| South Africa | 1.7520-1.8075 |

S
and MLR 16% -
d 37/80
ht Base Rate 16% -
Loans -
High 15% - **Low 15**
12%
Treasury Bills Dis -
Selling
2 months 14%
3 months 14%

| Local Authority B&G | | |
|---------------------|-----------|---------|
| 15-17% | 7 months | 14%-14% |
| 17-18% | 8 months | 14%-14% |
| 18-19% | 9 months | 14%-14% |
| 19-20% | 10 months | 14%-14% |
| 20-21% | 11 months | 14%-14% |
| 21-22% | 12 months | 14%-14% |

| Secondary Mkt. SCD Rates | | |
|--------------------------|----------|---------|
| 15-16% | 7 months | 14%-14% |
| 16-17% | 8 months | 14%-14% |
| 17-18% | 9 months | 14%-14% |

| Local Authority Market | | |
|------------------------|----------|-----|
| 15-16% | 3 months | 15% |
| 16-17% | 6 months | 14% |
| 17-18% | 1 year | 13% |

Finance Houses (Mkt. Rate^c)
6 months 15¹/₂%
Base Rate 16¹/₂%

New York, Sept. 18.—Prices of New York Stock Exchange closed lower with the index of 100 at a record 74.36 and the average price per share down 1.25. The Dow Jones Industrial average fell 4.75 to 956.48 and 86 shares led advances 879 to 705 and 1000 shares eased to 63,296,000 yesterday.

[illegible]

00-1100-1200
March 12-13-14-15-16-17-18-19-20-21-22-23-24-25-26-27-28-29-30-31-1965
77.12-77.25-77.35-77.45-77.55-77.65-77.75-77.85-77.95-78.05-78.15-78.25-78.35-78.45-78.55-78.65-78.75-78.85-78.95-79.05-79.15-79.25-79.35-79.45-79.55-79.65-79.75-79.85-79.95-80.05-80.15-80.25-80.35-80.45-80.55-80.65-80.75-80.85-80.95-81.05-81.15-81.25-81.35-81.45-81.55-81.65-81.75-81.85-81.95-82.05-82.15-82.25-82.35-82.45-82.55-82.65-82.75-82.85-82.95-83.05-83.15-83.25-83.35-83.45-83.55-83.65-83.75-83.85-83.95-84.05-84.15-84.25-84.35-84.45-84.55-84.65-84.75-84.85-84.95-85.05-85.15-85.25-85.35-85.45-85.55-85.65-85.75-85.85-85.95-86.05-86.15-86.25-86.35-86.45-86.55-86.65-86.75-86.85-86.95-87.05-87.15-87.25-87.35-87.45-87.55-87.65-87.75-87.85-87.95-88.05-88.15-88.25-88.35-88.45-88.55-88.65-88.75-88.85-88.95-89.05-89.15-89.25-89.35-89.45-89.55-89.65-89.75-89.85-89.95-90.05-90.15-90.25-90.35-90.45-90.55-90.65-90.75-90.85-90.95-91.05-91.15-91.25-91.35-91.45-91.55-91.65-91.75-91.85-91.95-92.05-92.15-92.25-92.35-92.45-92.55-92.65-92.75-92.85-92.95-93.05-93.15-93.25-93.35-93.45-93.55-93.65-93.75-93.85-93.95-94.05-94.15-94.25-94.35-94.45-94.55-94.65-94.75-94.85-94.95-95.05-95.15-95.25-95.35-95.45-95.55-95.65-95.75-95.85-95.95-96.05-96.15-96.25-96.35-96.45-96.55-96.65-96.75-96.85-96.95-97.05-97.15-97.25-97.35-97.45-97.55-97.65-97.75-97.85-97.95-98.05-98.15-98.25-98.35-98.45-98.55-98.65-98.75-98.85-98.95-99.05-99.15-99.25-99.35-99.45-99.55-99.65-99.75-99.85-99.95-100.05-100.15-100.25-100.35-100.45-100.55-100.65-100.75-100.85-100.95-101.05-101.15-101.25-101.35-101.45-101.55-101.65-101.75-101.85-101.95-102.05-102.15-102.25-102.35-102.45-102.55-102.65-102.75-102.85-102.95-103.05-103.15-103.25-103.35-103.45-103.55-103.65-103.75-103.85-103.95-104.05-104.15-104.25-104.35-104.45-104.55-104.65-104.75-104.85-104.95-105.05-105.15-105.25-105.35-105.45-105.55-105.65-105.75-105.85-105.95-106.05-106.15-106.25-106.35-106.45-106.55-106.65-106.75-106.85-106.95-107.05-107.15-107.25-107.35-107.45-107.55-107.65-107.75-107.85-107.95-108.05-108.15-108.25-108.35-108.45-108.55-108.65-108.75-108.85-108.95-109.05-109.15-109.25-109.35-109.45-109.55-109.65-109.75-109.85-109.95-110.05-110.15-110.25-110.35-110.45-110.55-110.65-110.75-110.85-110.95-111.05-111.15-111.25-111.35-111.45-111.55-111.65-111.75-111.85-111.95-112.05-112.15-112.25-112.35-112.45-112.55-112.65-112.75-112.85-112.95-113.05-113.15-113.25-113.35-113.45-113.55-113.65-113.75-113.85-113.95-114.05-114.15-114.25-114.35-114.45-114.55-114.65-114.75-114.85-114.95-115.05-115.15-115.25-115.35-115.45-115.55-115.65-115.75-115.85-115.95-116.05-116.15-116.25-116.35-116.45-116.55-116.65-116.75-116.85-116.95-117.05-117.15-117.25-117.35-117.45-117.55-117.65-117.75-117.85-117.95-118.05-118.15-118.25-118.35-118.45-118.55-118.65-118.75-118.85-118.95-119.05-119.15-119.25-119.35-119.45-119.55-119.65-119.75-119.85-119.95-120.05-120.15-120.25-120.35-120.45-120.55-120.65-120.75-120.85-120.95-121.05-121.15-121.25-121.35-121.45-121.55-121.65-121.75-121.85-121.95-122.05-122.15-122.25-122.35-122.45-122.55-122.65-122.75-122.85-122.95-123.05-123.15-123.25-123.35-123.45-123.55-123.65-123.75-123.85-123.95-124.05-124.15-124.25-124.35-124.45-124.55-124.65-124.75-124.85-124.95-125.05-125.15-125.25-125.35-125.45-125.55-125.65-125.75-125.85-125.95-126.05-126.15-126.25-126.35-126.45-126.55-126.65-126.75-126.85-126.95-127.05-127.15-127.25-127.35-127.45-127.55-127.65-127.75-127.85-127.95-128.05-128.15-128.25-128.35-128.45-128.55-128.65-128.75-128.85-128.95-129.05-129.15-129.25-129.35-129.45-129.55-129.65-129.75-129.85-129.95-130.05-130.15-130.25-130.35-130.45-130.55-130.65-130.75-130.85-130.95-131.05-131.15-131.25-131.35-131.45-131.55-131.65-131.75-131.85-131.95-132.05-132.15-132.25-132.35-132.45-132.55-132.65-132.75-132.85-132.95-133.05-133.15-133.25-133.35-133.45-133.55-133.65-133.75-133.85-133.95-134.05-134.15-134.25-134.35-134.45-134.55-134.65-134.75-134.85-134.95-135.05-135.15-135.25-135.35-135.45-135.55-135.65-135.75-135.85-135.95-136.05-136.15-136.25-136.35-136.45-136.55-136.65-136.75-136.85-136.95-137.05-137.15-137.25-137.35-137.45-137.55-137.65

| 1979-80 | | 1978-79 | | 1977-78 | | 1976-77 | | 1975-76 | | 1974-75 | | 1973-74 | | 1972-73 | | 1971-72 | | 1970-71 | | 1969-70 | | 1968-69 | | 1967-68 | | 1966-67 | | 1965-66 | | 1964-65 | | 1963-64 | | 1962-63 | | 1961-62 | | 1960-61 | | 1959-60 | | 1958-59 | | 1957-58 | | 1956-57 | | 1955-56 | | 1954-55 | | 1953-54 | | 1952-53 | | 1951-52 | | 1950-51 | | 1949-50 | | 1948-49 | | 1947-48 | | 1946-47 | | 1945-46 | | 1944-45 | | 1943-44 | | 1942-43 | | 1941-42 | | 1940-41 | | 1939-40 | | 1938-39 | | 1937-38 | | 1936-37 | | 1935-36 | | 1934-35 | | 1933-34 | | 1932-33 | | 1931-32 | | 1930-31 | | 1929-30 | | 1928-29 | | 1927-28 | | 1926-27 | | 1925-26 | | 1924-25 | | 1923-24 | | 1922-23 | | 1921-22 | | 1920-21 | | 1919-20 | | 1918-19 | | 1917-18 | | 1916-17 | | 1915-16 | | 1914-15 | | 1913-14 | | 1912-13 | | 1911-12 | | 1910-11 | | 1909-10 | | 1908-09 | | 1907-08 | | 1906-07 | | 1905-06 | | 1904-05 | | 1903-04 | | 1902-03 | | 1901-02 | | 1900-01 | | 1899-00 | | 1898-99 | | 1897-98 | | 1896-97 | | 1895-96 | | 1894-95 | | 1893-94 | | 1892-93 | | 1891-92 | | 1890-91 | | 1889-90 | | 1888-89 | | 1887-88 | | 1886-87 | | 1885-86 | | 1884-85 | | 1883-84 | | 1882-83 | | 1881-82 | | 1880-81 | | 1879-80 | | 1878-79 | | 1877-78 | | 1876-77 | | 1875-76 | | 1874-75 | | 1873-74 | | 1872-73 | | 1871-72 | | 1870-71 | | 1869-70 | | 1868-69 | | 1867-68 | | 1866-67 | | 1865-66 | | 1864-65 | | 1863-64 | | 1862-63 | | 1861-62 | | 1860-61 | | 1859-60 | | 1858-59 | | 1857-58 | | 1856-57 | | 1855-56 | | 1854-55 | | 1853-54 | | 1852-53 | | 1851-52 | | 1850-51 | | 1849-50 | | 1848-49 | | 1847-48 | | 1846-47 | | 1845-46 | | 184 |
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